

Sarajevan women sweeping tram tracks Monday on "Sniper Alley" as French soldiers protect them from sharpshooters.

2 Scandals Shake Japan Officialdom

Justice Minister Resigns Over an Unreported Loan

The state of the s

roussed Tri

By Nicholas D. Kristof New York Times Service

TOKYO — Justice Minister Tomoharu Tazawa was forced to resign Mon-day following a scandal that has simultaoeously discredited both the governing coalition and the opposition.

The Japanese political system is regularly shaken by scandals, but they usualaffect only one political time. The resignation Monday was noteworthy in that it tarred virtually everyone, adding to public disillusionment

Mr. Tazawa denied any wrongdoing, and the major political parties said that they believed him - and that therefore there was no need for any further investi-

Prime Minister Tomiichi Murayama chose as his new justice minister Hiroshi Miyazawa, 74, a politician with long experience in government. He is the younger brother of Kiiehi Miyazawa, a former

prime minister. The scandal arose after Mr. Tazawa admitted that be bad failed to report a loan of about \$2 millioo from a Buddhist organization. He said he had oot realized that loans needed to be reported.

Reports of the loan were an embarrassment to Mr. Tazawa, and he had been expected to face a grilling about it from the parliamentary opposition. But in fact no embarrassing questions were asked in Parliament.

Yomiuri Shimbun, Japan's largest circulation newspaper, reported that in ex-change for the opposition not asking embarrassing questions, Mr. Tazawa



Mr. Tazawa, center, after resigning from the government on Monday.

promised he would join the opposition in objecting to the government's plans to tighten controls over religious organiza-

Asahi Shimbun, another major newspaper, said in an editorial that if the allegations were true, then "this is a most shameful deed that makes a mockery of the parbamentary system and grievously insults the public." The newspaper called for a thorough investigation and an airing of the relations between rebgious organizations and political parties.

The government is trying to revise its law on religious groups because of alle-gations that Aum Shinrikyo, the sect accused of organizing the poison gas attack in Tokyo in March, was able to gather funds and avoid scrutiny as a

See JAPAN, Page 8

How Clinton Could Win in '96

Taking Tolls in Singapore

New Pressure on Claes

Intelligence Takes On Nature

Technical Shares Tumble

INTERNATIONAL

BUSINESS/FINANCE

Habit of War Postpones Hopes for Bosnia Truce

Peace Must Wait for Another Day

SARAJEVO, Bosnia-Herzegovina -War won out over peace in Bosnia again Monday as the Bosnian government said a nationwide cease-fire was being postponed because power supplies had still not been

restored to Sarajevo. Heavy fighting continued in some regions of Bosnia. And in Naples, the North Atlantic Treaty Organization said its warplanes had destroyed a Bosnian Serbian command bunker southeast of the "safe arca" of Tuzia.

A Foreign Ministry spokesman said the Bosnian government had decided to postpone the cease-fire, due to start Tuesday at 12:01 A.M., because power supplies still

were not reaching Sarajevo.
"Time has been wasted," the spokesman said. "We will not change our position until gas and electricity have been restored

The American-brokered cease-fire thus fell victim to the bewildering mixture of violence and broken promises that have plagued the Balkans during oearly four

The failure to secure the cease-fire did not mean the agreement was dead. West-ern diplomats and UN officials said they hoped it would still take effect in the coming days and talks on the cease-fire contin-ued into Monday night near Sarajevo.

vears of war.

There was no immediate reaction to the Bosnian government statement from Croatia, the Bosnian Serbs or the United States.

The day's events underscored the fragility of the accord and were a potent reminder of the tightrope that the Clinton administration is walking now that it has committed American prestige, and per-haps American lives, to halting the most savage combat in Europe since the end of World War II.

The 60-day cease-fire, announced in Washington on Sept. 28, was seen as a prelode to talks between Bosnian, Cro-

on Oct. 25 that would lead to an interna-

Hasan Muratovic, the Bosnian official in charge of relations with the United Nations, said as he went into a meeting between the UN and the three warring factions: "There will be no cease-fire because nearly none of the conditions has been met by now.'

beld by the Bosnian Serbs, who cut them in April as part of their three-and-a-balf-year year siege of Sarajevo.

Bosoia's gas arrives from Russia through an international pipeline that is

Gas and electricity lines cross territory

The Serbs resume "etimic cleansing" in Bosnia. • All sides want part of Sarajevo, the Jerusalem of the Balkans. Page 2.

still blocked in Hungary because of a dispute between Russia, Serbia and Bosnia,

the Hungarian Foreign Ministry said.
But a Russian Foreign Ministry statement said President Boris N. Yeltsin had declared Russia was willing to restore the There are no political obstacles to the

immediate introduction of the agreement on a cease-fire throughout Bosnia," the

Russian statement said.

"We are firmly in favor of the cease-fire agreement coming into force at midnight and count on all sides strictly observing The bopes of millions of Bosnian Mus-lims, Croats and Serbs as well as of inter-

national mediators have been staked on the cease-fire.
The Muslim-led Bosnian government also threatened to boycott peace talks after Bosnian Serbian attacks on Sunday that killed at least 16 people, including chil-

Sarajevo radio claimed the Bosnian Serbs shelled seven of the government's frootline towns and villages in the north and infantry in the northwest.

All three sides have been scrambling to capture territory before the cease-fire

Recent Serbian losses have established a territorial division of around 50-50, close to the proposal under an international peace plan that would give 51 percent of Bosnia to a Muslim-Croatian federation and 49 percent to the Serbs.

The last-minute fighting was not untypi-cal of previous cease-fires, few of which have lasted for long although one last winter endured from January until the end of

In the air attack, six NATO planes hit the Bosnian Serbian command-and-control bunker, eight miles southeast of Tuzla, according to NATO military officials.

Captain Mark A. Van Dyke, spokesman

for NATO's southern beadquarters in Naples, said the attack was in response to a request for air support from UN peacekeepers, who for a second consecuove day came under artillery shelling from Serbian

guns in the surrounding hills.

A request early Sunday afternoon, made after Pakistani peacekeepers came under fire, resulted in the deployment of several NATO planes to the Tuzla area but bad weather made it impossible for pilots to identify and strike their targets, Captain Van Dyke said.

A second request was issued Monday morning around 8 A.M. as the shelling resumed. NATO planes arrived an hour later and remained over Tuzla for the rest of the day, striking the bunker after the target had been identified by UN spotters.

"Initial bomb damage assessment indicates the bunker was destroyed," a NATO officer said. The officer said it was not clear whether

the targeted bunker had been directly con-

trolling the Serbian guns but that "short of taking out the actual batteries, you cut the bead off and hopefully silence the guns."
(AFP, NYT, WP, Reuters, AP)

In Blow to Democrats, Nunn Will Retire Georgian Who Shaped Military Policy Seeks 'a New Course'

By Brian Knowlton national Herald Tribune

WASHINGTON - Senator Sam Nunn, Democrat of Georgia and a leading force for more than a decade in shaping U.S. defense and security policy, an-nounced Monday that he would not seek

re-election in 1996. "It is time to follow a new course," Senator Nunn said, speaking from the state legislative chambers in Atlanta where

his political career began 26 years ago. The decision by Senator Nunn, 57, was a new blow to Democratic hopes of recapturing control of the Senate next year. He is the eighth Senate Democrat to announce years." plans to step down, compared with one

The party will also lose perhaps its most influential voice on national security issues. His voice - and his vote - proved

pivotal more than once. Mr. Nunn had often been at odds with more liberal Democrats in championing the military and its spending plans. But his expertise had brought him respect and influence at home and abroad on a broad range of security questions.

Such debates as modernization of the U.S. military, the place of Russia in today's world, instability in Haiti and the U.S. military's treatment of homosexuals in its ranks were all crucially affected by his voice and clout.

The Senate mioority leader, Tom Daschle of South Dakota, expressed disappointment at Mr. Nunn's decision, saying, He has been a remarkable contributor to our national agenda for more than 20

It was as a staunch advocate of the American military and a defender of traditional values that Mr. Nunn, a self-described "commonsense conservative." built his reputation.

One of his first moves upon election to the Senate in 1972 at age 34 was to get a

seat on the Armed Services Committee. In doing so he was observing family tradition: His great-unele, Carl Vinson, a Democrat who retired in 1964 after 50 years in the House, used his chairmanship of the Armed Services Committee to help build a

In his years in Washington, Mr. Nunn built an edifice of power that rests in part on his solid political base back home — he captured more than 80 percent of the vote in winning re-election in 1978, 1984 and 1990 - and partly on what has been described as his baronial independence.

Mr. Nunn was a key supporter of mili-tary buildup under President Jimmy Carter in 1979, and an even more vigorous buildup under President Ronald Reagan two years later.

He bas been cautious, however, about the actual use of force, as he was in the Gulf War. Nor has he been a knee-jerk

See NUNN, Page 8

AGENDA

31 Killed in Mexican Earthquake

MEXICO CITY (AP) — A strong carthquake sbook Mexico's Pacific Coast on Monday, killing at least 31 people and injuring dozens in southern Jaliseo State. High-rise buildings swayed crazily in Mexico City, frighten-

ing people into the streets.

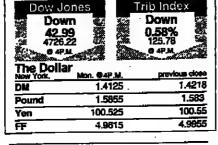
The quake, with a preliminary magnitude of 7.5, was the second powerful tremor to hit Mexico in a month. It was felt as far north as Dallas and Oklahoma City. Trading on Mexico's stock market

came to a balt but resumed 40 minotes later. Power and telephone service were interrupted for about an hour on the west side of Mexico City.

PAGE TWO Soul-Searching in Holland

Bahrain





Sports Pages 22, 23. Page 7.

Bonn and Paris Rush to Franc's Defense cy 24-hour interest rates by 1.1 percentage With France braced for a one-day strike

By Alan Friedman International Herald Tribine

Tokyo Regulators

Knew of Huge Loss

Run Up by Daiwa

By Sheryl WuDunn
New York Times Service

TOKYO - The Japanese government

acknowledged Mooday that it knew of a

\$1.1 billion loss by a rogue trader at

Daiwa Bank six weeks before American

of Finance did oot act on the informa-

tion nor did it inform American counter-

parts, officials said. When the loss was

finally announced, in late September, it

rattled the world financial community

and raised new questions about the so-

lidity of the Japanese banking system.

The new revelations effectively spread

responsibility for the affair from just the

bank — whose president and chairman

resigned Mooday --- to the Japanese gov-

their credibility, and it shows they know-

ingly allowed a bank under their supervi-

sion to basically break the rules of another country," S. David Snoddy, a bank analyst with Jardine Fleming Securioes Ltd., said of the ministry's officials. "It

certainly changes how the public sees

them. It moves from a situation of Daiwa

being on trial to the Ministry of Finance

Two weeks ago, it appeared that To-shihide Iguchi, a Japanese-born bond trader in Daiwa Bank's New York office, had duped the bank for 11 years, losing \$1.1 billion and forging 30,000 trading

slips and other documents to cover up his mounting losses. Daiwa has said that

See DAIWA, Page 8

"If it is true, it's certainly a dent to

In that period, the Japanese Ministry

regulators were informed.

ernment as well.

PARIS — France and Germany joined forces Monday to rescue the tumbling franc, with the Bank of France raising an important interest rate and the president of the Bundesbank trying to talk up the leaguered French currency.

Jean-Claude Trichet, governor of the Bank of France, coordinated the defense of the franc from Washington, where he and President Hans Tietmeyer of the Bundesbank are attending the annual meetings of the International Monetary Fund and World Bank. The Bank of France raised its emergen- public spending.

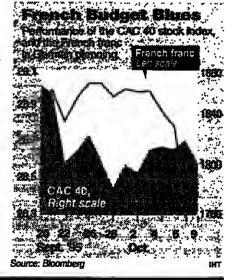
point, to 7.25 percent, in an effort to discourage currency speculators. Mr. Tiet-meyer, meanwhile, said in Washington that there was "no basis for a French franc problem" and that the currency remained among Europe's strongest because the French economy was fundamentally The interest rate increase and Mr. Tiet-

meyer's jawboning succeeded in stabilizing the frane's value against the Deutsche mark. But economists said financial markets remained uncertain about the longterm direction of the currency because of their doubts about France's ability to cut

Tuesday of public employees that could cripple public transport and Prime Minister Alain Juppé on the defensive over a bousing scandal (Page 5), Mr. Trichet stressed that the German and French cen-tral banks were "working in permanent cooperation,"

Economists said that the French and German officials were clearly making a show of unity, especially because the frane's weakness, along with a 1.3 percent drop in the CAC-40 Paris bourse index Monday, reflected continuing market doubts about France's ability to slash its budget deficit enough to meet conditions

See FRANC, Page 8



0-95

A Pleasant Place in Iran Where Mixed Emotions Rule

By John Lancaster
Washington Post Service

ISFAHAN, Iran — The West views Iran as a land of unbridled radicalism: hostile ayatollahs, cloaked women, mobs chanting "Death to America." Here in this onetime capital of imperial Persia, 400 kilometers south of Tehran, things look different.

Along the banks of the Zayandeh Rud river, couples stroll amid pomegranate trees and gently swaying poplars. Fountains play from the ramparts of a newly restored stone bridge. And in the 17th-century covered bazaar adjacent to Nagsh-e-Jahan Square, an American visitor is besieged not by hostile stares but by rug merchants eager for his business — and questions on when and if his countrymen will return.

It is, in fact, a pleasant place.

ing chronic unemployment and a doubling of prices for cruized clites who otherwise have little use for its radical basic foodstuffs in the last year, Islahan abounds with brand of social and foreign policy. recent evidence of government largesse, including new roads and parks and a modern fertilizer plant.

Health care is reasonably sophisticated, and a burgeoning network of private, and largely secular, schools is offering an alternative to overcrowded government ones. at least for parents who can pay.

Such conspicuous improvements help explain the mixed emotions of many Iranians toward the turbaned mullahs whose revolution 16 years ago deposed the American-backed shah and gave birth to an Islamic state.

A recent three-day visit to this city of 1.1 million people revealed deep frustration with many aspects of theocratic rule, including economic mismanagement, corruption, arbitrary decision-making and sharp restrictions on personal freedom.

At the same time, there was grudging respect for the Notwithstanding Iran's many economic woes, includ- government's tangible achievements, even among West-

If the popular mood of Isfahan is any guide, the Islamic revolutioo continues to enjoy considerable support --- and may prove to be a more enduring phenomenon than many in the West would think. The United States, which accuses Iran of sponsoring terrorism and secretly trying to develop nuclear weapons, banned U.S. trade with Iran this year. Iran denies both charges.

"If you ask me, during this 16 years, what has been done in this country, there are many good things," said a well-to-do physician who is no particular fan of Islamic rule. The country bas become more self-sufficient, more confident, more self-respecting."

Isfahan is hardly immune to the economic troubles that plague the rest of the country. These are felt most sharply by salaried workers such as civil servants, whose

See IRAN, Page 8

Is Holland Still a 'White Angel in a Dark World'?

By Stephen Kinzer
New York Times Service

MSTERDAM — On the afternoon of July 11, as Bosnian Serbian units were tightening their noose around the Muslim town of Srettenica, the Bosnian Serbian commander, General Ratko Mladic, decided to teach Dutch peacekeepers there a lesson in his form of warfar

General Mladic summoned the Dutch commander and several of his officers to a hotel outside of town, and ushered them into a room where a live pig was tied up. As they watched, a Bosnian Serbian soldier slit the pig's throat,

seeding blood gushing onto the floor.
'Miadic told them that was how he would reat people like those protected by the Dutch peacekeepers, said Bert Kreemers, a spokesman for the Dutch Defense Ministry, in re-calling the incident. "He said he was going to do the evacuation his way.

A few hours later, Bosnian Serbs marched into Srebrenica and captured it without firing a shot, defying a United Nations order that the town remain a demilitarized "safe area." There was little the 450 lightly armed Dotch peacekeepers could do to stop them.

Many people in the Netherlands, however, believe that the peacekeepers could have done more to prevent the expulsions, rapes and killings that witnesses and human rights workers say followed the takeover. Their failure to do so has stung the national conscience.

Critics say the Bosnian Serbian record in treating Muslim civilians, as well as explicit

treating Muslim civilians, as well as explicit warnings like the pig butchering, should have led Dutch peacekeepers to suspect the worst as Bosnian Serhian soldiers began separating military-age men from the rest of the pop-ulation and shipping them off in trucks and

Instead, even as peacekeepers saw the bodies of freshly killed Muslims in Srebrenica, they raised no alarm.

Dutch politicians are wondering aloud if a tougher Dutch line might have saved civilian lives in Srebrenica. They have suggested that Dutch officers, anxious to avoid casualties in their ranks, allowed honor to give way to expedience by minimizing or overlooking the atrocities being committed around them.

There is a widespread sense of national shame over the Srebrenica episode," said Fred van Staden, director of the Netherlands Institute of International Relations and a senior adviser to the Defense and Foreign Affairs Ministries. "We always think of ourselves as being very humanitarian and good, but the complete failure of our mission in Yugoslavia shows that there is a clash and a cleavage between our self-image and our ac-

Public anger over the failure of Dutch sol-diers to protect civilians in Stebrenica was increased by a series of statements from Dutch commanders in the days after the Bosnian Serbian takeover.

On July 17, as Dutch peacekeepers were preparing to leave Srebrenica, one of their senior officers. Major Robert Franken, signed an agreement with Bosnian Serbs certifying that "the evacuation was carried out by the Serb side correctly."

Later that week, as the peacekeepers were arriving in Zagreb, the commander of Dutch ground forces, Lieutenant General Hans Couzy, who had flown from Amsterdam to meet them, said he knew of no evidence suggesting that Bosnian Serbs in Srebrenica had committed crimes akin to genocide.

At a news conference the next day in Zagreb. Lieutenant Colonel Ton Karremans, who had commanded the Dutch battalion in Srebrenica, asserted that the Bosnian Serbs' "militarily correct operation" had been car-



Dutch UN troops, whose role in Srebrenica has been questioned, carrying the coffin of a comrade killed by Bosnian Muslims.

ried out "in the right way." Before leaving Srebrenica, Colonel Karremans was photographed, glass in hand, with General Mladic.

These statements sparked heated debate in the Dutch Parliament, and in August the De-fense Ministry opened an official inquiry into events surrounding the fall of Srebrenica. A report is expected later this month, and senior Defense Ministry officials as well as officers who served in Srebrenica are refusing to comment publicly until then.

Few others are so reluctant. Dutch newspapers have been filled with commentaries and letters about the Srebrenica debacle, many conveying anger. Some critics are questioning not only the conduct of the Dutch battalion in Srebrenica, but also the relevance of the Netherlands' traditionally peaceful, consen-

sus-oriented approach to world affairs.
"Srebrenica was a turning point," said a senior Dutch diplomat who deals with Balkans policy. "We are starting to realize that we are no longer the kind of robust society that can deal with tyrants and criminals. We don't back up our diplomacy with a big stick. That is an approach that can have tragic results, as it did in Srebrenica."

In the hours after the Bostian Serbian and the early morning of July 12, an estimated 25,000 residents fled from the town to what they hoped would be safe refuge in and around the Dutch headquarters in nearby Potocari.

Dutch peacekeepers, bowever, allowed Bosnian Serbian soldiers to enter the area, separate men of military age from other residents and send some of them away on trucks and buses unaccompanied by foreign observers. Many have not been heard from

Dutch peacekeepers also saw Muslims being taken into a warehouse, and later reported having found bodies there. Other peacekeepers reported seeing Bosnian Serbian soldiers interrogating Muslims at the Nova Kasaba soc-cer field near Potocari, a site that U.S. officials believe was later used as a mass grave.

Tadeusz Mazowiecki, wbo quit his post as the chief UN human rights monitor in the former Yugoslavia on Joly 24 to protest the UN failure to protect civilians in Srebrenica, urged in his final report that an international investigation of the conduct of Dutch peacekeepers be opened. No such investigation is under way, but several Dutch politicians are determined to pursue the matter.

AN HOEKEMA, a former Dutch diplomat who is now a member of Parliameot, said: "I question whether a strooger or more emphatic approach to Mr. Mladic could have avoided what bappened."
"I question whether, if we had insisted that

no refugees be allowed to leave Potocari before Red Cross or UN relief workers arrived. that would have made a difference," he added. "It's extremely difficult to prove, but I believe it would.

The fact that the Netherlands is in the midst of a painful reassessment of the role of Dutch collaborators during the Nazi occupation, and that the country is also facing unpleasant aspects of its war against Indonesian guerrillas in the late 1940s, has made the pain of Srebrenica even more acute, Mr. Hoekema said.

"There is a very intense linkup of various historical events," he said. "We always thought, and some still think, that Holland is a white angel in a dark world. Now we are wondering if we really are always heroes. Psychologists and sociologists have oot begun to comment on this yet, but I believe they will."

Mr. Kreemers, the Defense Ministry spokesman, defended the performance of Dutch peacekeepers. He said that the UN had not given them orders to prevent Bosnian Serbs from taking Srebrenica and that in any case they did not have the arms or troops to do so. The Dutch force in Srebrenica had been

cisive force. In addition, the number of peacekeepers assigned to protect the enclaves never approached the 34,000 that ground commanders said they needed. By all accounts, Bosni-

for weeks before they finally took the town. COMING UP

Some Canadian doctors believe that cutbacks in the nationalized health care system are denying them the resources. the funding or the freedom to do their jobs, and they are taking action.

reduced from more than 600 to about 400 because Bosnian Serbs had refused to allow

peacekeepers to return after leaves. Bosnian

Serbian roadblocks also left the Dutch battalion

with less than 20 percent of the ammunitioo it

should have had. Because so few spare parts reached the banalion, Dutch soldiers were not

The Bosnian Serbs, by contrast, numbered

in the thousands and were equipped with

Mr. Kreemers asked. "No, they didn't. There

was no way they could do anything against the overwhelming superiority of the Bosnian

UN mission," be added. "The responsibility

for the failure rests with the UN and its mem-

ber states. The Netherlands is one of those

member states, so we don't flee from the

responsibility we have. But we are oot the sole

or only one responsible."

The United Nations declared Srebrenica a

"safe area" in 1993, imposing restrictions oo military activity that were to be enforced by

NATO air power. But as Bosuian Serbian forces closed in on Srebrenica and other UN-

designated enclaves, "close air support" came only sporadically and never with de-

an Serbian units had been bullying the Dutch

"We should keep in mind that this was a

mortars, artillery and other heavy weapons. 'Did the Dutch stand by and do nothing?"

able to test their anti-tank weapons.

Balkan Jerusalem Rises in Sarajevo

All Sides Demand a Piece Of City at Heart of the War

By John Pomfret Vashington Post Service

SARAJEVO, Bosnia-Herzegovina — Several hundred feet under First Lieutenant Nicolas hill above Sarajevo, a small alley meanders between two sides of a drab housing project.

On one side, several girls were jumpiog rope, reveling in Sarajevo's version of an Indian summer. On the other, less than 50 feet away, a pack of boys were deep into a soccer game. In betweeo, Lieutenant Tete pointed out, a line of trenches

split the kids in two — one group Muslim, the other Serb.
"That's where their fathers are spending the day," said the young French officer as the childreo's laughing, carefree voices trickled up to his post. "It's crazy. And what's going to hap-pen when there's peace?"

Lieutenant Tete's simple question and the bizarre scene below him underscores a major issue befuddling diplomats, Muslims, Serbs and Croats alike as the prospects for a cease-fire, which is scheduled to begin Tuesday, increase in Bosnia and with them the cbances for an end to 41 months of bloodshed. What is the future of Sarajevo?

Ever since Bosnia's war crupted, Sarajevo has been the symbol of the death of the New World Order, the chaos spawned by the collapse of the Berlin Wall and communism, a ghastly mint where the currency of funire wars — a withering siege, sniper fire, shelling of schools, hospitals and apartment blocks was printed without cease.

Since then it has played different roles — symbolizing the struggle of multiculturalism vs. ethnocentrism, the futility of international involvement in the ex-Yugoslavia and the failure of ropean Union to stop Europe's worst conflict since World War

But with talk of peace in Bosnia, this crumbling European capital has taken oo a new role — that of the Jerusalem of this new Jerusalem — home to many acknowledge that some Muslims, Orthodox, Catholics type of division of the city will and Jews-is divided or united take place. And in so doing, will do much to influence the they say, the Serbs will have an course of peace or the resump- unlikely ally — the Croats. tion of war in the Balkans.

future of their cooperation else-

have served - Berlin - Saraina, in a speech at his swearing-in ceremony last week. "Berlin could have rolled on was the fulcrum of the Cold War. Sarajevo has become the fulcrum of the world we take into the next century."

ciation of the city's political geboroughs. Three main roads a Serbian stronghold.

connect it to the rest of Bosnia, Built on two hills, the main part of the city, a valley of redriled houses, cascades down to the banks of the Miljacka River. Catholic and Orthodox church-Tete's UN observation post on a es intermingle with soaring minarets — testimony to the multiethnic mosaic of Saraje-

But as the war has pro-gressed, besieged Sarajevn has become more and more Muslim as Croats and Serbs have left the city and Muslim refugees from Serbian-held castern Bosnia have flooded the town Serbian shelling has destroyed many of the city's landmarks, pockmarking churches and mosques and turning the golden, crenellated facade of the stately 19th century national li-brary into a toasted shell.

In 1991, 525,000 people lived in Sarajevo, about half of them Muslims, 30 percent Serbs and 7 percent Croats. Today, the population has dwindled to about 320,000, and ethnic diversity is a thing of the past. About 250,000 people, the great majority Mus-lims, inhabit the besieged area, and about 70,000 people, almost all Serbs, live on the Serbian side, according to the latest fig-ures of the United Nations.

While Western diplomats and UN officials say that currently there is no solid plan for the future of Sarajevo, interviews with participants in the peace process paint a picture of what is possible and what is not. From the beginning of the

war, the Bosnian Serbian leadership has called for a new Berlin Wall to divide the city. Radovan Karadzic, the political leader of the Bosnian Serbs, told then U.S. ambassador to Yugoslavia, Warren Zimmerman, that that was his dream.

To cement their claim to a "Serbian Sarajevo." Serbiar authorities issued a variety of the United Nations and the Eu- Serbian Sarajevo license plates and switched the plaques on government buildings. A stamp of Serbian Sarajevo also was printed, but the Bosnian Serbian postal service, always a hapbazard affair, soon ran out.

But while diplomats insist Europe — the main prize of the that a Berlin Wall will never be How constructed to the Balkans.

Even though they make up And, more than that, how the the smallest proportion of the Western powers, Russia and the city's three main ethnic groups, Islamic world collaborate to the Croats, who are ostensibly bring peace to this fractured city allied with the Muslims, have a and war-torn country could in great deal of iofluence because. turn do much to determine the of the support the Croatian Army has given to Bosnia. Without the Croatian Army. "Like another city where I 1,500 square miles of territory would not have been grabbed ievo is a symbol of an age," said from the Serbs last month in John Menzies, the new U.S. am-northwestern Bosnía-Herzebassador to Bosnia-Herzegov- govina. And a Serbian coununchecked.

Under a plan being pushed by the Bosnian Croats, each main ethnic group in Sarajevo Understanding the chal-lenges faced in bringing peace to Sarajevo requires an appre-two, and the Muslims and Serbs would split the remaining sevography and cultural heritage. en. The 10th, Pale, now the Sarajevo sprawls over 790 mountain headquarters of the square miles of mountains and Bosnian Serbs, would be sepvalleys and is divided into 10 arated from the city and remain

Correction

A caption in editions of Oct. 6 incorrectly identified a speaker in the Spanish Parliament. The speaker was Rodrigo Rato, spokesman for the Popular Party.



New Ethnic Cleansing Begins Fears Are Voiced for Muslims and Croats

SARAJEVO, Bosnia-Herzegovina - Serbian forces, seeking to complete the expulsion of men. all Muslims and Croats from territory they hold in northern Bosnia, have started a brutal new wave of ethnic cleansing, incarcerating men and forcing women, old men and children to ford a frigid river and cross an active battlefield toward Muslim-held territory, aid officials said Monday. Senior Western aid officials

said they were taking seriously reports from women refugees that their husbands and sons, who were taken away by the Serbs, had been killed.

"There is a life-threatening situation there," an aid official said. "We've got to get to the men fast."

In an indication of the con-

unrestricted access" to the

expulsions was aimed at clearing the last of the Muslims and Croats from northern Bosnia in preparation for a peace deal. Before the war, about 500,000 Muslims and Croats

forces have kicked out hundreds of thousands of people. destroying more than 1,000 mosques in the region and many of the Catholic courches as well.

region's name, Banja Luka, became synonymous with what in Bosnia would have the right Kris Janowski, a spokesman for to return borne. cern, the International Commit- the UN High Commissioner for

tee of the Red Cross has requested "immediate and darkness."

The officials said the camen. paign, which is expected to con-Western aid officials said tinue despite prospects of a they believed the new round of cease-fire, could force the last 20,000 Muslims living in the region from their homes. The last of the Croats were kicked out in September. Officials said the campaign

violated numerous agreements signed by the Bosnian Serbs to respect the rights of minorities in lived in northern Bosnia with about 400,000 Serbs. But since 1992. Serbian their territory. Indeed, Point 5 of the new cease-fire, brokered by the United States, guarantees humane treatment for all civilians. The campaign also contra-dicts the spirit of the agreements made by the Yugoslav government at peace talks on Sept. 28 that displaced people As a result, over time, the

-JOHN POMFRET

Arab League Seeks to Fight Genetic Illness

Agence France-Presse CAIRO — Arab nations examined on Monday the idea of a "genetic map" of the region to help fight hereditary diseases made common by the custom of marriages between cousins. the Arab League said.

The league's panel on preventive and genetic medicine began meeting Monday in Cairo, said Ahmed Kadri, the league's deputy secretary-general. He said he asked the panel to work on an "Arab genetic map."

"Genetic diseases are among the most important striking the Arab world due to the tradition of marrying relatives," Mr. Kadri said.

TRAVEL UPDATE General Strike to Paralyze France

PARIS (Combined Dispatches) — France is likely to be brought to a standstill Tuesday by the general strike of the country's 5 million public employees. Getting around will be a struggle as public transportation is halted:

Workers in the railroad, school, hospital and public utility sectors will all be on strike for 24 hours. Minimum service will be

guaranteed in some sectors, including hospitals.

Trade union members will march through Paris and other main cities, adding to the traffic jams. Management said the Paris Métro could be paralyzed, while the SNCF, the state-owned railroad, said it would be able to operate only one of four high-speed TGV and main line trains. The company said that suburban and regional trains services would also be severely disrupted. (Related article, Page 5)

A husband and wife were fined £400 (\$633) each on Monday for trying to smuggle a dog into Britain by the Channel Tunnel in the first such case involving the undersea link with France. Dogs entering Britain must be quarantined six months.

Tourism is booming in Egypt again — with more than 3 million visitors expected this year — following a drought caused by unrest and war, an official said Monday.

(AP)

Families of victims of China Airlines crash in central Japan last year will file suit oext mooth for 30 billion yen (\$300 million dollars), news reports said Monday.

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Clinton Tactic for '96 Races: Beat Republicans at Their Own Game

By Ann Devroy Washington Post Service

WASHINGTON - Earlier this year, President Bill Clinton and company set their political strategy: Adopt the most potent issues in the Republican arsenal and go into the 1996 election year with the enemy disarmed.

Now the president and his team head into the final rounds of the debate over the government's role in the nation's life that began with the 1994 congressional elections in what his aides optimistically call "the 1995 recovery."

How the president got there begins with a revamped and campaign-oriented White House staff, the arrival of a longtime political adviser with a strategy that has been followed closely this year, and the inclusion of an element that always has been an important part of Mr. Clinton's political success: something or someone with which to compare himself. In this case, that is the Republican Congress.

Republicans — and even some Demo-crats — call the Chinton recovery strategy an exercise in unprincipled political positioning being directed by an unprincipled political consultant: Dick Morris, Mr. Clinton's sometimes Republican, sometimes Democratic adviser.

They see Mr. Clinton reconstructing on a grander scale the centrist positioning between the Republican right and the Democratic left — that helped him win the presidency. Mr. Morris calls the strategy "triangulation."

Polls released in the week and a half show that it is working, at least for now. Mr. Clinton's message that he is for the popular things Republicans favor — like a balanced budget - but against the unpopning to take.

A Washington Post poll last week gives Mr. Clinton higher marks than Republicans for helping the middle class, protecting popular social programs and preserving health care and retirement programs traditional Democratic strengths.

But it also shows him making up a huge deficit in areas where Republicans usually dominate. In January, Republicans enjoyed a 22-point advantage on questions about who people trust to handle the economy or cut the deficit and a 30-point advantage on cutting taxes. By last week, Mr. Clinton was in parity with the Republicans on handling the economy, and only a few points behind in other areas of tradiuonal Republican strength.

According to White House officials who have repeatedly heard him describe it, the

ular things they propose — like cutting Morris strategy's first move is to co-opt the Medicare health care benefits — is beginwith the public. The next move is to identify the Republican issues that Americans are most uncomfortable with and make them stick. These are identified by the White House as loosening environmental

protections or cutting the social safety net. According to the theory, such a move ives the public a clearer picture of what the president stands for and accounts for the changes he has made in his positions this year.

The most notable change was Mr. Clinton's proposal to halance the budget in 10 years, a proposal that came only months after he had sent Congress a budget plan that forecast \$200 billion deficits into the foreseeable future. The president also gave up on his insistence that all poor Americans who qualify be guaranteed welfare benefits, and he proposed shortly after the

1994 elections to increase military spend-

The larger picture is supposed to be of an even more conservative New Democrat than the one Mr. Clinton ran as in 1992.

The next stage is described by a White House official as "projecting the values that lie behind the stands the president takes." Officials say that the huilding of a values agenda to contrast with the "ex-treme" Republican agenda is under way, and that internal polling is beginning to show what one official said was a "significant drop" in "our weak, vaciliating opportunistic quotient."

A senior official acknowledged that the next, and perhaps more difficult, step is to develop a powerful argument for four

"Clinton, like every other Democrat, knows that the New Deal is dead," the official said. "That old-time religion just doesn't sell any more."

He said that although the Democrats' 'music" was "not yet ready for the Top 10 hits," like the Republicans' tune, "what you see now is Clinton working this through, trying things out, letting it

"That is what 1996 will be about," he said, adding, "1995 is about getting Clinton back to a point where people say, 'Let's take another look."

White House officials maintain that the Clinton re-election White House is now in order and its reconfiguration this early is yet another example of the taking-nothingfor-granted mentality at play there.

But in a White House that has as many downs as ups, no one is ready to place strong bets on the future.

"We had a good week," an official said. "Only 57 to go."

Sabotage Suspected As Amtrak Derails

HYDER, Arizona - The Sunset Limited derailed in the Arizona desert Monday, killing one person and injuring more rescue was carried out almost than 100 after apparent sabo-tage to the tracks sent railcars hurtling off a 30-foot-high bridge about 50 miles southwest of Phoenix.

The Amtrak train was bound for Los Angeles from Miami and was carrying 248 passen-gers and 20 crew members when

it derailed around 1 A.M. Two sleeper cars and a diner plunged off the bridge. In all, both locomotives and the first cight of the train's 12 cars derailed, Amtrak said.

"We don't believe it's an accident," said the Maricopa County sheriff, Joe Arpaio. "We found some information or evidence at the scene. I'm not about to talk about it right

He said tracks had been tampered with, but gave no details. side military units as helicopsome distance from the scene passengers. were questioned.

Authorities said that they were not suspects. . An engineer had reported seeing "something unusual," said a police sergeant, Tim

The FBI was investigating, said Jon Poston, spokesman for the state Corporation Commis-

sion, which regulates railroads. The scene could be reached by road by four-wheel-drive vehicles only with difficulty. The entirely by air.

The train sat with the engines upright, one car behind them tilting toward the streambed and the next three cars lying in the bed, with little visible dam-

The remaining cars sat upright on the far side of the streambed

"It was like the 1995 earthquake in Los Angeles, only we were falling 25 feet through the air," said Brian Hamblet of Los

Angeles. "The whole thing happened like in slow motion. It was like taking a roller coaster ride."

A triage center was set up on sandy desert soil next to a dirt road about six miles from the accident scene. Medical personnel in lah coats worked along-He said two people found at ters landed nearby with injured

A fire truck sprayed the landing pad with water in an attempt to control dust whipped up by the choppers.

The train left Miami on Friday, but because of Hurricane Opal, the section of the journey from Jacksonville, Florida, to New Orleans was made by bus, said a railroad spokesman.



Colin L. Powell promoting his autobiography, "A Solidier's Way," at a bookstore in London on Monday.

Transit Lobby Pulls Out the Stops

POLITICAL NOTES

WASHINGTON - About 40 percent of transit systems around the country have been forced to raise fares in the past year, most because of cutbacks in federal operating assistance, according to a survey conducted by the American Public Tran-

sit Association. The survey of 157 transit systems, ranging from large urban systems to rural ones, also indicated that about 40 percent of the systems have cut back service, 35 percent have canceled or postponed planned service expansion and 21 percent have laid

The survey, released Monday at the group's annual meeting in San Antonio, is part of a campaign to persuade the Clinton administration and Congress to pull back on deep cuts in federal transit spending:

Powell to Skip Washington March

WASHINGTON (AP) - General Colin L. Powell will not attend the upcoming black men's march because it conflicts with his previously scheduled book tour, a spokeswoman said

The Oct. 16 march in Washington, conceived by the Nation of Islam leader, Louis Farrakhan, falls on a day when General Powell will be promoting his book in New York, said his

spokeswoman, Peggy Cifrino. Mr. Farrakhan telephoned to invite General Powell before the retired general left for London over the weekend, she said. The former chairman of the Joint Chiefs of Staff left open the possibility of attending because he did not have his schedule with him at the time. General Powell subsequently notified Mr. Farrakhan he could not make it, Ms. Cifrino said,

Asked about General Powell's opinion of the march, which has split hlack leaders, she "I believe he supports its purposes." The march has been billed as an event to instill responsibility

and unity in black men and increase their political power. (AP)

Ideal Seats for Dole-Gramm Fight

WASHINGTON -- Just after Republicans won control of the Senate a year ago, Senator Phil Gramm of Texas felt assured that his 16 years in Washington would give him the nod for a seat on the Finance Committee and a solid stage to promote his tax policies and his presidential ambitions.

What he did not count on was his major rival for the Republican presidential nomination, the Senate majority leader, Bob Dole of Kansas, undermining that plan by persuading more senior members to look up seats on the committee and to shut out Mr. Gramm.

As it has turned out, that episode was the opening poke in the eye in a sparring match between Mr. Dole and Mr. Gramm that has gotten only grittier as they near the first party primaries and caucuses next year to determine who will be the Republican

Largely out of the public view, the rivalry between Mr. Dole and Mr. Gramm has rooted itself on Capitol Hill, and the Senate has become an arena for what buth men see as a must-

win fight for the hearts and votes of their party's right wing. "Outside of a four-mile radius of Capitol Hill, I haven't heard anybody talking about what happened on the Senate floor between Dole and Gramm," said Warren Rudman, a former Republican senator from New Hampshire who is supporting Mr. Dole's candidacy.

Ouote / Unquote

Senator Sam Nunn, the Georgia Democrat who announced Monday that he would not seek re-election: "I know in my heart it is time to follow a new course."

Away From Politics

 Bus system employees in Minneapolis and St. Paul went on strike in a dispute over wages, halting public transportation for about 100,000 daily riders in Minnesota.

 A hotel housekeeper in Baltimore committed suicide by jumping out a 29th-floor window, nearly litting three persons a block from the parade route of Pope John Paul II. The police said the woman was Miley Lee Carr, 36.

 About 2,000 worshipers celebrated the opening near Austin. Texas, of what officials say is the biggest Hindu temple in North America. The temple, encompassing about 35,000 square feet (3,200 square meters), was built on what was once a cattle

 Ten people were rescued from a boat that caught fire off Fort Lauderdale, Florida, on the way to bury a 90-year-old man at sea. None of the passengers was injured.

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Solutions for a small planet

By Michael Richardson International Herald Tribune

SINGAPORE - In a major step toward a transportation network for the 21st century, Singapore has awarded a contract to create an electronic toll system to reduce automobile congestion in the city-state.

The system, described as the world's first for urban traffic management, will use electronic debit cards installed on all of Singapore's 650,000 motor vehicles. The so-called smart cards will be slotted into small holders mounted inside the windshield.

As vehicles pass under electronic scanners mounted oo gantries leading to congested areas and busy highways, charges will be deducted

Since 1975, Singapore has restricted rushfrom credit stored in the cards. The first phase of
hour access to the city center to drivers who have

eration in late 1997. It will be extended in stages to provide island-wide coverage by the end of the

day to Philips Singapore, Mitsubishi Heavy In-dustries and Miyoshi Electronics of Japan and CEI Systems & Engineering, a subsidiary of the Singapore government's Singapore Technolo-

One advantage of electronic road pricing is that charges can be automatically raised at peak periods or on busy routes to discourage the use of private vehicles without involving lines of mo-

torists at toll booths.

police manning entry checkpoints.

The government also imposes hefty taxes on cars and makes people who want to own them bid A contract for the program was awarded Fri- for the right to do so. That privilege costs about 18,250 dollars for small automobiles and 45,000 dollars for medium- size family sedans. Uoder government regulations, cars more than 10 years old must be taken off the road.

This system has succeeded in controlling traffic flow much better than in most other East Asian cides.

Despite some of the world's highest ownership prices, Singaporeans are turning to cars in ever-growing numbers as their affluence in-

Roads now occupy 11 percent of Singapore's

the system, which will cost 197 million Sin-gapore dollars (\$140 million), will start op-played on windshields and are monitored by housing. Mah Bow Tan, the communications minister, warned last month that if trends continued, roads could take up 16 percent of the island-state by 2010.

He said that the increase would be at the expense of bousing, schools, offices, factories,

parks and gardens. "I do not think Singaporeans are prepared to cept that," Mr. Mah added.

The Land Transport Authority was instructed by the government recently to prepare a White Paper by mid-November to detail how Singapore could develop and sustain a world-class transport system.

The country already has a mass rapid transport estem that runs underground in the business district and on elevated rails elsewhere.

BRIEFLY ASIA

Taipei to Lift Defense Outlay 20%

TAIPEI — Taiwan has decided to raise its defense spending by 20 percent in fiscal 1996-97 mainly to buy more military hardware, the China Times reported Monday.

The entire defense budget was likely to hit a record high of \$11.1 billion, a 20 percent increase compared with fiscal 1995- 96, it added. Defense spending for 1995-96 was set at \$10.24 billion, compared with \$9.89 billion in 1994-95.

The increase was designed to cope with tensions across the Taiwan Strait and current military needs, the paper quoted "authoritative" military sources as saying.

Sumatra Halts Search for Bodies

SUNGAIPENUH, Indonesia - Soldiers, hampered by heavy rains, suspended their search Monday for more bodies after a devastating earthquake on Sumatra

The downpour and two overnight aftershocks brought more misery to the survivors of the quake that hit parts of Jambi Province in south-central Sumatra with a magnitude of 7 on Saturday. Officials said that at least 100 people died, but only 79 bodies have been recovered.

Deng Healthy, Still a Bridge Fan

BELJING — Deng Xiaoping, the 91-year-old Chinese parriarch, is in good health and still able to play his favourite card game, bridge, if assisted, his daughter Deng Nan told a visiting U.S. businessman Monday.

Charles Wang, founder and chairman of the software giant Computer Associates, said she made the comments during a private luncheon.

Marijuana a Bigger Hit in Japan

TOKYO - The use of marijuana is spreading among young Japanese, with the number of people arrested for smuggling or possession of the drug hitting a record 2,103 in 1994, a government report said Friday.

Of those arrested, about 70 percent were under 30, said the report on narcotics released by the Health and Welfare Ministry. A total of 17.564 people were arrested for offenses involving drugs in the year, down 2.6 percent. (AFP)

Rockets Blast Offices in Karachi

KARACHI - Attackers fired at least five rocket-propelled grenades at a provincial government office block here

Monday, wounding four people, the police said.
Witnesses said three grenades hit the top floor of the sevenstory Sindh provincial secretariat building, blasting the cabinet room and offices of the health and education ministers. The other two rockets slammed into the fifth and sixth floors, starting fires. There was no immediate claim of responsibility.

Starvation Charged in Sri Lanka

COLOMBO - Tamil Tiger rebels accused the government Mooday of trying to starve them into submission by withholding food from residents of the rebel-held northern

The rebels' statement, from London, said bread has been rationed since Sunday because of a flour shortage.

For the Record

Pakistan on Monday expelled Masood Khalili, the Islamabad-based envoy of President Burhanuddin Rabbani of Afghanistan, his family said in Islamabad.

VOICES From Asia

Fortunato Dejoras, executive director of the National Disaster Coordinating Council in the Philippines, on the fact that 400,000 people are in the path of a mudflow from Pinatuba volcano: "When there is an emergency, meaning when the mudflow comes down because of the rains, we will implement the evacuation. But there's a very stiff resistance implement the evacuation. But there's a very stiff resistance from the townspeople."

Zhao Dengju, China's deputy chief prosecutor, telling an international anti-corruption conference in Beijing: "Power unchecked leads to corruption."

North Korea Party To Make Kim Chief Russian Report Cites Move

Compiled by Our Staff From Dispatches TOKYO — The Russian TOKYO — The Russian being told by North Korea of newa agency ltar-Tass said Mr. Kim's impending appoint-Monday that Kim Joog II would ment. tling the question of the country's leadership.

Citing sources close to the North Korean Embassy in Bei-jing, Itar-Tass said that Mr. eral Choe Gwang, was promot-ed to the rank of marshal and kim, the oldest son and long-mamed defense minister. designated heir of the late president, Kim Il Sung, would of-ficially be appointed to succeed his father oo the Korean Workers' Party's 50th anniversary oo Tuesday. The elder Kim died in July 1994.

sources as saying that the Chi-Jiang Zemin, had attended a sion.

be declared general secretary of the North Korean Communist was in firm control, he reshuf-Party on Tuesday, finally set-fled the country's top military leadership, South Korean of-

The army chief of staff, Gen-

General Choe, 77, replaces Marshal O Jin U, who died in February. General Choe belongs to the "first-generation revolu-tionary elite," which helped build a personality cult around the late North Korean leader.

The agency, in a dispatch monitored in Tokyo, quoted the Sul. 75, to marshal, He also was Also promoted was Li Ul retained as a member of the nese Communist Party chief, powerful Military Commis-



Fire fighters spraying water Monday over the smoking ruins of the 'Maori Cathedral' near Wellington.

France Reports 2d Test Released No Radiation

PARIS — France said Mon-

Measurements taken at the Sept. 5.
te in French Polynesia found Mr. Barnier wrote that comsite in French Polynesia found the same low 'background' mission experts were allowed to visit more sites than had ini-Oct. I test as before the blast, tially been planned and were France's European affairs min- given all the data they sought.

French Foreign Ministry.

The commissioner has complained that France prevented day that its recent test of a ou- European experts from visiting clear warhead with the explo- Fangataufa and refused to turn sive force of just below 110,000 over data on radioactivity in the tons of TNT had oot raised ra- water and marine life around diation levels at its Fangatanfa the Mururoa atoll, where the atoll testing site in the South first French ouclear test in the current series took place on

ister, Michel Barnier, wrote to The environmental group the European Union environment Greenpeace said it had obtained commissioner, Ritt Bjerregaard, a leaked copy of a report by The level of radioactivity on commission experts. Greenthe atoll corresponds to weak peace said the report "confirms natural background levels, Mr., that France is acting in breach Barnier wrote. A copy of the of the health and safety proletter was released by the visions of the Euratom Treaty.'

Fire Destroys the 'Maori Cathedral' Police Suspect Arson at 144-Year-Old Building

Agence France-Presse 1768, he controlled large areas of the buried 45 meters (150 feet) from the door WELLINGTON — A 144-year-old lower half of North Island and most of of the church, but the night after the burial church built by a Maori chief who cooquered large areas of New Zealand has been destroyed in a fire that the police suspect was arson.

The destruction early Saturday of the Rangiatea Church in Otaki, north of decided to build the church. Some earth Wellington, is known — triggered a brought centuries before from Ra'iatea, the fire, Bishop Muru Walters proclaimed: weekend of mourning by hundreds of

A detective constable, Tim Smith, said Monday that graffiti bad been sprayed oo the church, but it is not known what was said since the graffiti were destroyed in

land occupation.

The church was built by Te Rauparaha, a Ngati Toa chief and one of the greatest Maori fighting generals. Born around

South Island. He is routinel remembered oo the rugby field when the All Blacks, a nearby island and put it in a cave. New Zealand's national team, perform Te Rauparaha's haka, or war ilince.

"Maori Cathedral" - as the Anglican never baptized a Christian. Te Rauparaha mooument and headstone. west of Tahiti, by Polynesian voyagers, was buried at the site. The church was named Rangiatea, the Abode of the Ab-

solute, after a worship site in Ra'iatea. Dozens of great trees were hauled down to the coast by Maori and shaped while immigrant sailors and whalers hammerhead shark scroll, bringing to-

gether Maori and Christian design.

The building was completed in 1851, two years after Te Rauparaha died. He was

100 chiefs moved Te Rauparaha's body to

Today only a few of the Ngati Toa know where the body rests. The grave At the age of 78, and alt ... igh he was remains at Otaki with a European-style

"We will never see Rangiatea again. Nev-

er, never, never again. The people from this place are still weeping."

The head of the Rangiatea vestry committee, Manahea Baker, told Radio New Zealand that Maori must think positively.

"God has spoken and it's for the com-Last month a group of Maori burned raised the beams. The roof beams were munity now to heed the message and read down a school building in a dispute over dove-tailed without nails and painted in a the signs," he said. "Should it be that there are persons involved in arson, we

Briton Who Negotiated Handover Assails Patten

How? The American Hospital of Paris has a policy of investing in over more effective, state-of-the-art technology in order to offer patients the best possible

facilities for diagnosis and treatment. That's a way of caring. Onr hi-tech services alone are equal to those of a 1000-to 2000 bed hospital, but we have only 187 beds, a comfortably small number, which allows us to give

personal attention to every patient. That's tender, loving care. We have 450 accredited doctors, 600 employees to rake care of you. Our Out-Patient Department has more than 120 specialists covering most fields of medicine and surgery. We speak English and French.

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We care about you.

The Associated Press protagonists vie to imprint their served as ambassador to Bei-HONG KONG — The viewpoints on the minds of the jing and who negotiated the

marred Monday by a verbal skirmish between its British heightened by the Sept. 17 leg-governor and the British diplo-islative election. Hong Kong's mat who helped negotiate the last under British rule, and the colony's return to Chinese Chinese-British agreement last

sovereignty.

Sir Percy Cradock dubbed
Chris Patten "the incredible shrinking governor," whose battle with China for democtable with China for democ

racy in Hong Koog had con-demned him to the sidelines.
"Pretty tired old stuff," re-torted Mr. Patten's spokesman, Kerry McGlynn, calling Sir Percy "a retired official completely out of touch with modern Hong Kong thinking." The barbed exchange high-

lights the sharpening of political debate as China's 1997

countdown to Chinese rule was people of Hong Kong.

The sense of drama has been

of Beijing's renewed threat to disband the legislature. The subsequent London agreement is being attacked for failing to tackle China's threat to the leg-

Hong Kong people have grown familiar with periodic clashes between Mr. Patten, a lights the sharpening of polit-ical debate as China's 1997 cy, the China scholar and For-takeover draws nearer and the eign Office diplomat who

jing and who negotiated the 1984 agreement to return Hoog

Kong to China. Sir Percy believes his nego-tiations with China got the best deal possible for securing Hong Kong's democratic freedoms.

Mr. Patten believes not enough
was achieved, and since arriving in 1992, he has introduced
measures to broaden democra-

Sir Percy has long been a critic of Mr. Patten's policies. His latest salvo came Monday in an interview from London

with Hong Kong radio. Mr. Patten, he said, had inflicted "a good deal of damage" because it was his changes to the electoral system that provoked China's pledge to dismantle Hong Kong's elected institu-

Noting that Mr. Patten was absent from the talks in London that produced a deal last week. Sir Percy suggested that the governor had written himself out of the script because "he's made himself so obnoxious to the Chinese.

You have now the spec-tacle of the incredible shrinking

governor, he said.
Mr. Patten denied he was sidelined, and Foreign Secretary Malcolm Rifkind backed him up, writing in Hong Kong's Sunday Morning Post that he had worked closely with Mr. Patten on the contents of the deal last week with China.

assert his authority comes pedient to ignore values.

The result, he said, would be "less democracy, less rule of law" for Hong Kong after islature, followed by a blitz of question-and-answer sessions question-and-answer sessions with the public.

Butter Vine

But the adulation that greeted the governor has given way to ; criticism over unemployment and chronic housing shortages in the crowded colony of 6 millioo people.

Recent polls say Mr. Patten's popularity has dropped below 50 percent for the first time.

Last year, when the governor was pushing his plan to extend democracy in the colony, Mr. Patten said of his Foreign Office critics. "Some old hands are very, very suspicious of politicians who go around asserting their attachment to values, rather than expedience, but Mr. Patten's chance to re- I don't think it is always ex-

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Filipino Maid Testifies in Private, And Judge Adjourns Her Appeal

old Filipino maid sentences to death for murdering her employer.

"It will be very embarrass-

Sarah Balabagan, a Muslim from the southern Philippine city of Cotabato, was led into the courtroom in handcuffs, escorted by three policewomen, a court last month for the murder physician proving uncertainty tempted rape."

Miss Balabagan was sentenced to death by an Islamic court last month for the murder court session Monday: "I want woman. She sat inside an iron cage until she was summoned

by the judge. knifepo The presiding judge. Biyah bin Salik, acting at the request times.

old Filipino maid sentenced to attempt by her 85-year-old em-

Sarah Balabagan, a Muslim her integrity and her reputa-

policeman and an unidentified in Al Ain of Almas Mohammed Baloushi. She said she killed him when he tried to rape her at become a cause célèbre both in

nalists to leave the courtroom. trial. Salman Lutfi, another AL AIN, United Arab Emi- Defense attorneys said they had lawyer defending Miss Balabarates — A judge met hehind closed doors for more than an hour Monday with a 16- year- on details of an alleged rape sentence of life imprisonment.

He said the court also had "overlooked important forening for the girl, and we respect sic evidence and testimony by a physician proving there was at-

> Sarah executed. Miss Balabagan's case has

knifepoint. Court documents the Philippines and the United showed she stabbed him 34 Arab Emirates.

In France, President Jacques of a defense lawyer. Mo-hammed Amin, then ordered crux of their defense lay in ex-he would take "appropriate inabout 100 spectators and jour- posing flaws in the previous terventions" in the case.



Claes Urged Anew To Quit at NATO Belgian Opposition Bloc Says

Scandals Sap His Authority

By Tom Buerkle International Herald Tribune

BRUSSELS — The socre-tary-general of NATO, Willy Claes, faced renewed calls on Monday for his resignation after Belgium's highest court urged Parliament to lift his immunity so he could be charged with corruption in two defense scandals.

Mr. Claes, who proclaimed himself "totally innocent" after the court's request was leaked to the Belgian media on Friday, refused to answer questions a out the affair Mnnday when he saw reporters at a meeting in Italy of the North Atlantic Assembly, a group of parliamen-tarians from the 16 NATO

But Belgium's ehief opposi-tion party, the Dutch-speaking Liberal Party, said Mr. Claes no longer had the moral authority to lead the Western alliance and

to a Min in Japa

Lat & S the Karani

graffin Sellai

should resign.
Several European newspapers also published editorials sharply critical nf Mr. Claes's

"A secretary-general whom justice authorities want to prosecnte is not acceptable for NATO," wrote the Sadduetsche Zeitung in Germany. Now it has no other choice but to remove Claes."

A special parliamentary committee was scheduled to meet on Tuesday to begin reviewing

sault contractors made gifts to Belgium's Socialist parties in exchange for defense contracts in 1988 and 1989.

Mr. Claes, then a senior member of the Dutch-speaking Socialist Party, was Belgium's economics minister at the time and played a key role in awarding the contracts.

A senior aide to Raymond Langendries, who is president of the committee and the lower house of Parliament, said the committee could hear Mr. Claes later this week and hoped to send a recommendation to the full chamber in twn tn three

Sources at NATO said the alliance was content for now to wait and see what Parliament decides, but they indicated that an indictment would almost certainly force Mr. Claes to step down. A more delicate problem for the alliance would occur if Parliament postpones the request and calls for further investigations, they said.

The scandal comes at an awkward time for the alliance, which is working to draw up plans tn supervise a peace agreement in Bosnia with a force of up to 50,000 soldiers.

The Belgian high court also asked Parliament to lift the immunity of Guy Coeme, a member of the French-speaking Socialist Party who resigned as defense minister over Agusta allegations in 1994. Mr. Coeme the request from the Cour de- restated his innocence during Cassation. The high court in- the weekend and decried the vestigated allegations that Ita- leak of the court request as ly's Agusta and France's Das- scandalous.



NO TO BELGIAN EDUCATION CUTS - Students and teachers marching Monday in Brussels to protest government plans to cut education budgets and jobs.

Rail Travel Hit as General Strike Begins in France

Compiled by Our Staff From Dispatches

PARIS - French state-owned railways began strik-Lat is expected to unite more than 5 million publicsector workers.

From trains, subways and buses to post offices, schools and hospitals. France's vital functions were being reduced or suspended for 24 hours beginning

Monday night.
On Tuesday, the trade unions will stage marches through Paris and the country's main cities, adding to

the traffic jams caused by lack of transport. The general strike, expected to be France's worst since 1986, was called by public-sector unious to protest a pay freeze announced by the government. It marks the first major labor challenge to Prime Minister Alain Juppe, who came to power in May with promises in cut France's huge deficit and 11.5 percent

Initially. Tuesday's strike was only to include bureaucrats and civil servants, but employees of such ing Monday night in the first phase of a general strike state-owned companies as Air France and Renault, the car maker, announced they would join the action.

Minimum service will be guaranteed in some sec-

tors, including hospitals.

The French railroad company, SNCF, said Monday that most if not all international trains scheduled to leave Paris on Tuesday would be canceled, as would be 75 percent of domestic trains. SNCF said that non-French trains passing through the country would not

The Spanish state railway announced, bowever, that all Spanish trains heading out of the Iberian Peninsula evening because of the strike. Spanish trains heading to Paris, or those that have to cross France, were canceled from 1900 GMT Monday until 0700 GMT owned industries, number about 4.1 million.

In France, the state-owned airlines, Air France and Air Inter, said their flights would operate normally. Electricity and gas workers also will strike, but no power cuts were expected.

Subway trains and buses will be limited Tuesday. People forced to drive to work may be consoled by Monday's announcement by the police that they will not ticket parking offenders Tuesday.

Unions announced the strike in September after talks with the government failed to gain a reduction in the workweek along with a hiring increase to make up for the announced pay freeze for 1996.

The government says nearly 40 percent of its budget of how and why the body aborts goes into salaries in the public sector, while the unions embryos - a common occurretort that they are being made scapegnats for France's economic crisis.

Government employees alone, not including state-

Investigators Get New Evidence in Juppé Apartment Affair

PARIS - A Paris taxpayers' association produced Monday what it said was new evidence that Prime Minister Alain Juppe may have broken the law in leasing city-owned apartments for himself and his son at below market rents.

The Association for the Defense of Parisian Taxpayers said it had sent the public prosecutor a document showing that Mr. Juppé supervised rents as assistant mayor in charge of finance from 1989 to early 1995. The group has filed a civil lawsuit alleging that Mr. Juppe acted illegally in setting his own rent.

The evidence presented Monday said the 1989 docu-

ment contradicted a statement to the prosecutor by the mayor of Paris, Jean Tiberi, reported in the French newspaper Le Figaro on Saturday, that Mr. Juppé did not have the power of decision over the city's private

housing "domain." The new evidence fullows a document released last week by the association that showed that Mr. Juppé had the authority to sign for the mayor of Paris on budgetary and financial matters.

Arnand Montebourg, a lawyer for the group, said the new evidence shows that the Official Bulletin of the City of Paris in August 1989 announced the appointment of René Beguet as the official "in charge of the domain, of concessions and the trades union center."

The same document said Mr. Beguet was "under the authority" of the assistant mayor for hudget and finances; at that time it was Mr. Juppé. The appointment was signed by Jacques Chirac, the mayor at the time, who was elected president in May this year.

Brano Cotte, a prosecutor, is investigating whether there are grounds to file charges against Mr. Juppe involving alleged conflict of interest over his own lease of a city-owned apartment and his 1993 intervention to cut the rent nn his son's city-owned apartment. The inquiry does not necessarily lead to prosecution.

Mr. Juppe said Friday that he and his children would soon move out of their apartments. .

University, and Christiane Nusslein-Vulhard, 52, at the Max-Planck Institute for Developmental Biology in Tübingen, Germany. Together, these three scientists have achieved a breakthrough that will help explain congenital malformations in man," the citation said.

"They let the genie out of the ottle," said a member of the bottle," award committee member, Bjorn Vennstrom, a professor at the Karolinska Institute. Their research has stimulated other research in many other fields."

Gene Work

Brings Trio

Nobel Prize

In Medicine

STOCKHOLM - Two

Americans and a German were

awarded the Nobel Prize in

Medicine on Monday for their work on gene studies that help to explain hirth defects and

miscarriages.
They were chosen for discov-

eries about bow genes control early embryonie development,

according to the medicine prize

committee at Sweden's Karo-

The recipients are Edward B.

Lewis, 77, at California Institute of Technology in Pasadena, California; Erie F. Wieschaus, 48, of Princeton

linska Institute.

Ms. Nüsslein-Vnlhard, director of developmental biology at the Max-Planck Institute, was the first German woman to win a Nobel science prize.

The scientists used the fruit fly, well-known to generations of biology students, as the basis for their experiments. Ms. Nässlein-Volhard and Mr. Wieschaus identified a number of genes that are key in determining the body plan and formation of body segments.

Mr. Lewis, who worked inde-pendently, investigated how genes could control development of individual body segments into specialized organs.

In people, flaws in such genes are probably responsible for some early miscarriages and some of the approximately 40 percent of birth defects for which no cause is known, the Nobel citation said.

Mr. Vennstrom said the work had belped give scientists and doctors a better understanding Only about six of 20 fertilizations lead to children, and the abundance of miscarriages lnng

has been an enigma, he said. The prize this year is worth \$1 million. The winners will share it and be honored on Dec. 10 at a ceremony in Stockholm with the other laureates this

Last year's medicine prize was shared by two Americans, Alfred Gilman and Martin Rodbell, for their discovery of G-proteins — elements central to understanding diseased cells.

The Nobel Memorial Prize in Economic Science will be announced Tuesday, the physics and chemistry prizes Wednes-day and the Peace Prize on Friday. The literature winner, Irish poet Seamus Heaney, was announced last Thursday.

The Peace Prize is presented Dec. 10 in Oslo, Norway, and the other five prizes in Stock-

BRIEFLY EUROPE

Push for German-French Dialogue

BONN - Members of Parliament from Germany's governing Christian Democrats bave started a special work group France to help improve relations with Paris and coordinate

the two countries' European policies.

Karl Lamers, foreign policy spokesman for Chancellor
Helmut Kohl's party, said Monday that the debate over France's nuclear tests had shown there was not ennugh dialogue between Bonn and its most important partner. He and 18 other Christian Democrat deputies planned to step up contacts with their French counterparts and other personalities to seek a consensus on controversial issues facing the Eurnpean Union's Maastricht treaty review conference start-

Foreign Minister Klaus Kinkel said last week that Bonn and Paris were drafting a joint initiative for the conference but gave no details. German officials could not say what was

Czech Health Minister Is Dismissed

PRAGUE - Prime Minister Vaelav Klaus dismissed his health minister, Ludek Rubas, on Monday for failing to communicate with the natinn's medical profession. The eurrent transport minister, Jan Strasky, will succeed Mr. Rubas, who had vowed not to resign despite threats by doctors to strike if he stayed in his jub.

"I propose dismissing him because he failed to communicate with the entire medical profession, and I consider the situation which has emerged to be untenable." Mr. Klaus said. "I expect that Minister Strasky will bring a certain discretion into the negotiations with organizations of our

There has been widespread discontent within the Czech health system since the 1989 fall of communism, and doctors have blamed Mr. Rubas for failing to tackle its problems. Most doctors have been left behind by private-sector pay raises and their basic pay is now nnly slightly above the wages of industrial workers.

of industrial workers. Judge Adjourns Andreotti Trial

ROME — The judge at the trial of former Prime Minister Giulin Andreotti nn Mafia charges called an eight-day recess on Mnnday to study a mass of documents that the prosecution asked to be accepted as evidence.

The presiding judge, Francesco Ingargiola, set the next session of the case fur Oct. 17.

Mr. Andreotti, who was prime minister seven times, denies charges that he protected the Sicilian Mafia in return for votes for his faction of the Christian Democratic Party, which collapsed in Italy's corruption scandals after nearly 50 years

Swedish Skeptics Go to Strasbourg

BRUSSELS - The ranks of Euroskepties in the European Parliament swelled Monday with new Swedish members taking their seats. About half of Sweden's 22 depnties are critical of or opposed to EU membership, the largest share of Euroskeptics in any delegation to the Strasbourg-based Par-

"Nobody else has 50 percent," an EU official said, The high figure reflects growing disenchantment with the EU among many Swedes after less than a year of membership. The outcome of the Swedish election on Sept. 17 was a severe setback for the governing Social Democrats and a triumph for politicians who are opposed to membership.

European Union events scheduled for Tuesday: STRASBOURG: EU Parliament meets to discuss French nuclear tests in the South Pacific.

BRUSSELS: The EU commissioner for humanitarian affairs, Emma Bonino, meets with the U.S. assistant secretary of state for African affairs, George Moose.

BRUSSELS: The EU commissioner for transport, Neil Kinnock, meets with Herbert Maier, deputy director-general of the International Labor Organization. Sources: Agence Europe, AFP.

Macedonia-Greece Ties Approved

SKOPJE, Macedonia - Parliament approved an interim simed at normalizing relations between the twn southern Balkan neighbors.

Diplomatie sources said the move showed the former Yugoslav republic remains politically stable despite last week's at-tempted assassination of President Kiro Gligorov.

Mr. Gligorov, 78, is making steady progress in hospital after suffering serious head injuries in last Tuesday's car bomh ex-

After several hours of debate the accord was approved to loud applause from deputies in accord with Greece on Monday the 120-seat chamber. One hundred and two members voted in favor, nne against and two abstained. Fifteen deputies were absent

The accord, signed by the twn countries in New York last month, provides for mutual recognition of existing borders, noninterference in each others' affairs and the restoration of narmal economie and commercial ties. Greece and Macedonia will each set up a liaison office in the nther's capital.

0-95

Lord Home, Former Prime Minister, Dies at 92 dal surrounding a government tion among the party elders. He communism in the late 1930s minister, John Profumo. was later given a life peerage. and spied for the Soviet Union

LONDON - Lord Home, 92, the former British prime minister better known as Sir-Alce Douglas-Home, died

Lord Home, whose political career stretched from the rise of the Nazis in Germany through the end of the Cold War, was the last aristocrat to lead the Conservative Party. He died surrounded by his

family at his estate in Berwickshire. Scotland, near the English border, said his son and heir, David Dnuglas-Hnme. The cause of death was not an-

Lord Home (pronounced Hume) was prime minister for a year from October 1963, the compromise choice for a troubled party shaken by a sex scan-

"It was an enormous shock," he later recalled. "It had never occurred to me that I might be prime minister."

As a politician, he was best known as foreign secretary and as Commonwealth secretary, jnbs he held for a total of 13 years between 1955 and 1974. He presided over the dissolution of the British Empire and shepherded many colonies to independence.

He gave up his ancient peer-House of Commons to be prime minister. He was the last Conservative Party leader and prime minister to be chosen through a long-hallowed and secretive process of consulta- young Britons who embraced

was later given a life peerage. Prime Minister John Major described Lord Home as "understated and often underesti-

"His wealth of knowledge, his keen intellect and his deep patriotism were all combined in lifetime of public service," Mr. Major said. (AP, Reuters) John Cairneross, 82,

'Fifth Man' in Spy Ring LONDON — John Cairn-cross, 82, the fifth and last member of the infamous Camage — he was the 14th Earl of bridge spy ring that passed se-Home — to take a seat in the crets to the Soviet Union, has died, friends said Monday. Mr. Cairneross, a high-rank-

the "Fifth Man" in the Cam-

for more than 30 years. Three of the others — Guy Burgess, Harnld (Kim) Philby and Donald Maclean — died in

Moscow after being exposed as spies in the 1960s. The fourth, Sir Anthony Blunt, whn used his position of professor at Cambridge to recruit students and later rose to become Queen Elizabeth's adviser on art, died (Reuters)

Kukrit Pramoj Dies at 84. Former Thai Prime Minister BANGKOK — A former Thai prime minister, Kukrit Pramoj, 84, died here Monday

ing civil servant, was named as ficials said Mr. Kukrit, who served as prime minister from March bridge University ring of elite 1975 until April 1976, had been

in hospital in critical condition for several months, on an artifi-cial respirator. He succumbed tn heart disease, high blood pressure and diabetes, officials said. (Agence France-Presse)

Marvin L. Arrowsmith, 82, whn covered Dwight Eisenhow-er's White Hnuse and directed The Associated Press's Washington coverage in the days of Vietnam protest and Watergate scandal, died of a lung disease Thursday in Washington. (AP)

Christopher Keene, 48, a conductor and arts administrator and general director of the New York City Opera, died Sunday of lymphoma arising from

after a long illness, hospital of-Max Falk, 91, a furmer chief advertising executive of The New York Times, died in New



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Old Versus Young?

The poverty and income figures that the U.S. Census Bureau published last week should be posted somewhere in Congress, and both parties should be made to respond to them. The figures reflect a grim reality that it seems to us both parties, on alternate issues, continue to avoid.

1. The bureau reported that the overall poverty rate last year was 14.5 percent, but of course it is not that all across the society. As in other recent years, the rate for children, 21.8 percent, was much higher than for the population as a whole, while the rate for the elderly, 11.7 percent, was well below. You might think that in cutting the budget Congress would be most anxious to protect the programs benefiting needy children; that would be the rational thing to do. You would be wrong, of course.

The center of the debate in Congress — the focal point of the Democratic attack on the Republican plan to balance the hudget — is oot Medicaid, which provides health care for the neediest fourth of the children in the country, including all of those on the census list. It is Medicare, the health care program for the elderly. That is the case even though a lot of Republicans themselves will tell you it is Medicaid, not Medicare, that they have proposed to cut the hardest and more than it can probably withstand. The Democrats are doing what they are doing because Medicare is where the votes are: at any rate, it is where they think the votes are. The president and a majority of Seoate Democrats have meanwhile signed off on a welfare hill that would also likely harm poor children. They did that for political reasons, tno. Is the goal to get the poverty rate for children up?

2. The bureau reports that the highestincome fifth of all households oow has 49.1 percent of all income. That is a

record share. The figure has gone up in all but one of the last 20 years; there has been a huge increase in income inequality over that span. The Republicans would nonetheless include as part of the budget plan a large tax cut whose principal beneficiaries would be these same households. It would also make the deficit problem worse, require larger spending cuts than otherwise to meet the budget goals and all the rest. You can ask the same kind of question. What is the purpose of a tax cut that would add to what is already so disturbing a trend?

3. Critics say the census figures exaggerate poverty (and thus the need to do more to combat it) because they are based on cash income only and take no account of the value of the noncash or in-kind benefits (Medicaid, food stamps, housing assistance) that the poor have increasingly received in recent years. It is a fair criticism (although there are other weaknesses in the figures whose opposite effect is to make low-income people look better off than in fact they are), and the bureau has taken to publishing alternative tables in which the value of the inkind benefits is included. The pattern, however, is essentially the same whether you count the in-kind benefits or not.

The poverty rate, which went down in the 1960s and 1970s, has since begun to creep back up; the economy does not seem to do as much for people at lower income levels as it used to. And now what is Congress doing anyway but cutting precisely the in-kind benefits that are offered up as a reason not to worry about the official figures? They are supposed to be the pillow. The pillow itself is being reduced. But you still don't have to worry. Just look the other way.

-THE WASHINGTON POST.

Easing Up on Cuba

He is already taking flak from Republicans on this highly politicized subject, but President Bill Clinton was right to ease travel and other restrictions that have hindered communications between Cubans and Americans for decades, Far from signaling capitulation to Fidel Castro, the new rules are a sign of concern for the people of that country and an invitation to a fuller exchange of views between Cubans and Americans that can only strengthen America's hand in the continuing struggle to promote reform in Cuba.

The new executive order, issued on Friday, will facilitate the work of American relief and human rights groups, allow Cuban-Americans to assist their families still on the island and promote the exchange of information between citizens of the two countries. Not a single one of these steps will strengthen the dictatorship or even assist in the rehabilitation of that country's crumbling economy.

General tourism will still be prohibited. but the executive order will encourage more cultural and academic exchanges. In addition. Cuban-Americans will be automatically granted a general license to travel to Cuba once a year, instead of having to apply for and justify each visit. They are already allowed to send money

home for belping with the expenses of legal immigration and family emergencies, but the order will make this easier by granting permission to Western Union to open offices in Cuba for the electronic transfer of funds for these purposes. Another reform will be to permit Americans engaged in religious, educational and human rights work to transact some kinds of business in Cuba and to travel there.

News media and their readers and viewers will benefit by the president's decision to allow American organizations to opeo bureaus in Cuba. While journalists can now get a license to travel to that country, they could not open offices there and report on a continuing basis. The Washington Post and others have been trying to do this for some time. Fidel Castro, of course, must agree. But if this initial step works out, Cuban media will be given permission to open bureaus in the United States. There can be no better way to provide unhiased information to Americans and to allow Cubans to learn what is going on in America. These initiatives can only improve the prospects for democratic reform in the nation that is the last dictatorship in the Western Hemisphere.

-THE WASHINGTON POST. **Equal Opportunity**

In a widely anticipated legal showdown this Tuesday, the Supreme Court will hear local legislatures, homosexuals in search arguments in a gay rights case that tests the high court's commitment to ensuring fair access to the political process for all Americans. At issue is the constitutionality of an amendment to the Colorado Constitution that repealed ordinances in three cities protectiog homosexuals against discrimination, and barred the state and every local jurisdiction in Colorado from adopting or enforcing any such provisions in the future.

This punitive measure, similar to antigay ballot initiatives pressed by the Christian right in other states, was approved by Colorado voters in 1992, after a clever if mean-spirited campaign by proponents that depicted basic anti-hias protections in housing and employment as unjustified "special rights."

Colorado can be expected to echo arguments in the state's brief which seek to obscure the higotry that lies behind the amendment. It will try to establish that the amendment has a legitimate governmental purpose in protecting morality, in putting a divisive public issue to rest and in conserving resources that might otherwise be spent defending homosexuals in order to enforce other civil rights laws.

But there is no masking the anti-gay fervor behind the measure, or the offense to the constitutional principle of equal protection when a defined group of citizens, in this case homosexuals, is denied the right to participate equally and fully in the political process. While all other Colof their rights must now scale a uniquely high barrier - persuading Colorado vot-

ers to re-amend the state constitution. For this reason, the Colorado Supreme Court declared the amendment unconstitutional in 1994 — hence the state's appeal. The court made clear that the real issue here is not "special rights" for homosexuals, but whether a government may consign a particular group to a lesser category of citizenship. The Clinton Justice Department, retreating from principle, declined to join the legal barrle to overturn the Colorado amendment. But the disenfranchisement of Colorado's homosexuals should be clear to the U.S. Supreme Court with or without the Justice Department's intervention.

The court has been sensitive to the same sort of equal-protection trespass in previous cases involving race and elec-toral issues. A 1969 decision, for example, struck down a city charter amend-ment in Akron, Ohio, that repealed existing anti-discrimination laws and required future voter approval for any local

law dealing with housing discrimination. It is not necessary for the justices to sympathize with the laws forbidding discrimination against homosexuals, or to find that they as a group have a protected constitutional status. The court need simply decide that homosexuals deserve the same opportunity to participate in the poliocal process as everyone else.

-THE NEW YORK TIMES.



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A Flawed Peace Agreement That Has to Be Backed

WASHINGTON — The Clinton administration, after three years of almost willful incoherence and ineffectuality in Bosnia, has cobbled together a precarious peace agreement. Now it proposes to seed up to 25,000 U.S. troops to Bosnia to belp police the accord, and it seeks the approval or acquiescence of a Congress that has been deeply skeptical

of its policy. The administration's predicament is a direct result of the contradictory policy it has followed since Secretary of State Warren Christopher's seminal pro-councement on Feb. 10, 1993, promising U.S. troops to help monitor an eventual agreement while committing the United States to oo decisive action in the interim that would help ensure a decent outcome. This is the promise that the president oow

asks Congress to redeem.

cating the important goal of NATO en-largement in Central Europe.

haustion of all the other parties.

we have had or are likely to have in years to put this Balkan borror to rest, at least for a period. If it is possible to cross one's fingers and hold one's nose at the same time, oow is the moment.

evitably be portrayed as a litmus test of whether they are isolationist or oot. It is an unfair test, since the weaknesses of the agreement and the policy that produced it are evident. But the legislative branch has no ability to impose and execute a differeot policy on a sustained basis.

The choice the Republicans face is

end the killing.

President Bill Clinton on Sept. 25 comand candid answers to these questions.

would be a great mistake. America's NA-TO allies, who have taken casualties on the ground, would see refusal to keep a promise as another betrayal. Damage to the alliance would be severe. But Congress can force that will enforce the peace, and insist on conditions that reduce our risks:

The present outcome rewards "ethnic cleansing" and leaves Bosnia vulnerable to a gradual process of de facto partition. It is morally malodorous, and its long-

term stability can be questioned.
But what is the Republicans' choice?
Prolonging the Bosnia conflict has done serious harm to significant U.S. strategic interests. Disputes among the NATO al-lies have emhittered alliance relations. and Russian obstreperousness is compli-

The agreement patched together by Assistant Secretary of State Richard Holbrooke reflects an uneasy balance of forces that was redressed in recent months by Muslim and Croatian success in rolling back Serbian gains. The deal also reflects a more robust American diplomacy and use of military power and a certain ex-

In the final analysis, it is the best hope

The Republicans' response will in-

whether to bless a U.S. troop deployment in a risky environment or to bear responsibility for undermining an agreement that may be the best chance now to

Bob Dole and nine of his Republican Senate colleagues sent a tough letter to plaining about the lack of coogressional consultation and asking for answers to a series of detailed questions about the administration's deployment plans. Only then did the president convene a meeting with bipartisan coogressional leaders. Congress is entitled to fuller consultation

In the end, torpedoing the peace accord

First, explicit congressional endorsement should be sought for the deployment. The Haiti precedent should not be followed. The risks are too great, for the oow that his army, at his command, has

By Peter Rodman

country as well as the president, without a political safety net.

There should be oo UN role in the chain of command, NATO yes, United Nations no. And any Russian troops or troops from other ooo-NATO countries should oot be in a position to dominate the postsettlement environment or complicate NATO's freedom of action.

The rules of engagement for U.S. forces should allow them a role robust enough that they can deter and defeat any sources of trouble.

As for the size of the U.S. contingent, the critics' temptation may be to reduce it to a token contribution. But this could, perversely, add to the risks. If any force is sent

at all, it should be large enough to defend itself and be a formidable presence.

United States has the right to pull out if the war heats up again and "peacekeeping" becomes untenable. And there can be an understanding with allies that if the sit-uation stabilizes, the U.S. role may be

gradually taken over by others. If the legislation has a time limit, some wiggle room should be allowed. Perhaps a one-year mandate, renewable at six-month intervals subject to congressional consultations. The experience with some previous deadlines imposed by mandatory Democrats in Congress (Vietnam, Lebanon) is terrible; they can undermine the credibility and deterrent effect of the U.S. presence. This president — or his successor — will need some flexibility.

Republicans have a well-earned renutation for seriousness in national se-There can be an escape clause that the curity matters. Their decision should not be just a response to public nervousness about Bosnia or to the isolationist undercurrent in the country. The American people also want their country to be a leader, to keep its word, and not to look

scared before the world. It is in the U.S. strategic interest that this agreement, with all its flaws, be given the maximum chance of working, and that America not be seen as undermining it.

The writer, o former White House and Stote Department official in Republican administrations, is director of national security programs of the Nixon Center for Proce and Freedom. He contributed this comment to The Woshington Post.

Don't Send Occupation Forces Into Bosnia

BAKERSFIELD, California — Peace will not come to the Balkans as a result of inserting outside peacekeepers. Peace will come only when Serbs, Croats and Muslims strike a balance of power

that makes aggression too costly.

After being jerked around for more than two years by the British and French, Bill Clinton was forced by Congress to exert NATO leadership. Primarily as a result of the belated application of airpower against Serbian forces, the tide of war turned,

making possible a serious cease-fire. Now the U.S. president is being jerked around again. Last year, America's European allies elicited a promise from him to put in 25,000 U.S. ground troops to police a peace agreement. But we have since learned that the only time progress was made in Bosnia was after peacekeepers were taken out. Putting outside troops in is a step backward into the morass that existed before the air strikes.

Clintonites say he has "given our word." But can a president, without public debate or congressional support, and with no emergency, commit substantial U.S. forces to open-ended police duty anywhere? No. Secretary of State Warren

THE dramatic turn toward peace in

Bosnia has one fundamental cause:

the reassertion of American leadership in

Europe. With leadership goes responsi-

bility. America has heavy responsibilities

is seeing to it that Bosnian Serb areas do

not become attached to Serbia proper.

The best that can probably be achieved

One multierinic symbol can and must

be preserved: Sarajevo. The Bosnian Serb

leader, Radovan Karadzic, has said he

wants the city divided - literally, by

walls. For the United States to let that

happen would mark the negotiation as a

support whatever Bosnian state emerges.

arming and training the Bosnian army.

Second, America has a responsibility to

now, diplomatic and military.

sellout to terrorism.

By William Safire

Christopher's claim that to withhold U.S. ground troops would mean "the end of NATO" is rhetorical blackmail.

I am a card-carrying interventionist.

All the wroog people — Par Buchanan and the military "experts" who mistakenly foresaw disaster in using force to stop Iraqi President Saddam Hussein are my strange bedfellows in opposing the insertion of outside troops today. Mr. Clinton is already denouncing all Americans who denounce his wroogheaded

strategy as "isolationists." Mr. Clinton's model is Hairi. He was right to use force to build democracy there; it stopped an invasion of refugees.

But Bosnia ain't Haiti.
The U.S. 1st Armored Division in Europe was designed and equipped to take on a Soviet tank offensive, not to patrol mountain borders of a Bosnia that is deliberately being kept weak. Nor is Bosnia Berlin, to be defended by great powers in sectors, with Tuzla the new Checkpoint Charlie. Bosnia already has 120,000 troops, all the troops it needs today to defend its

done terrible things in the Krajina region

since defeating the Serbian forces there.

Finally, the United States must maintain

its commitment to the International War

Crimes Tribunal for the Former Yu-

goslavia. The budget troubles of the Unit-

ed Nations are threatening to hobble the

tribonal at this crucial moment, and the

Clinton administration cannot let that hap-

pen. We know even more now about the

atrocities carried out in the name of ethnic

purity. Mass graves of Muslims slaugh-

tered by the Bosnian Serbs have been

found. And there is increasing evidence

that Ratko Mladic, the Bosnian Serb com-

mander, ordered the execution of thou-

for Bosnia while General Mladic and Mr.

Karadzic lead the Serbian region. If the

world pursues their atrocities, the Bosni-

an Serbs may themselves come to un-

Anthony Lewis, commenting

in The New York Times.

derstand what these men have done.

It is hard to imagine a peaceful future

sands of civilians at Srebrenica.

whittled down borders. They are mainly Bosnian Muslims, with some indigenous Croais. What those troops need is defensive arms, the training to use those arms, and the sustained air cover to give

them the time to get that training.

Here is where Mr. Clinton has been snookered again by Europeans who want no Muslim state on their contineot. They keep claiming that lifting the embargo on arms for Bosnian self-defense would prolong the war. Time has demonstrated how mistaken that defeatist European story is. One-sided arming led to war; only by equipping Muslim troops with comparable firepower can a balance be struck that could lead to peace.

The Serbs attacked because they thought they could conquer; they will not attack again if they think they will be beaten back. Nor will a well-armed Bosnia become irredentist if Muslions know that Western airpower would then be turned against them.

What is a workable interventionist

strategy for Congress to consider?

1. NATO's air arm should maintain control of the skies over the original Bosnia, ready to retaliate disproportionately to violations of the peace agreement. Airpower was underrated in war-making;

let's not underrate it in peacekeeping.

2. NATO nations and Russia should manipulate economic sanctions and incentives to induce Serhia and Croatia to cooperate with what is left of Bosnia.

3. The arms emhargo keeping Bosoia weak should be lifted forthwith, Mr. Clinton should lead the West to join nations like Pakistan, Turkey and Saudi Arahia to finance purchase of anti-tank, anti-aircraft and intelligence-communications

4. A NATO team, including Americans, should set up training centers in Croatia to ready Bosoian troops for selfdefense. An imbalance of power in the Balkans always leads to war. Defense Secretary William Perry's expressed expectation that Serbs will give up their arms to enable Muslims to achieve a

balance of power is ludicrous. Congress should restrain the president from hlundering into Bosnia's occupa-tion. Instead, he should use the weapon that works - the credible threat of harsh punishment from the air — to enforce a

peace among military equals. The New York Times.

The Solution for the Spratly Islands Ought to Look Like This

America Now Has Heavy Responsibilities

HONOLULU — China's pledge in July, at the annual meeting of the Association of South East Asian Nations, that it would oegotiate disputes over ownership of the Spratly Islands in the South China Sea according to international law, and discuss the issue with ASEAN as a group.

has set the stage for a solution. The six claimants - China, Taiwan, Vietnam, Malaysia, the Philippines and Brunei - start fresh talks with Indonesian officials this Tuesday to try to ease renewed tension over the disputed area, a potentially rich zone for

undersea oil and nantral gas.
What does international law say about possible solutions? The main guidance is provided by previous international agreements, rulings by the International Court of Justice, and the 1982 United Nations Convention on the Law of the Sea. Beijing has said it will use the convention as a basis for negotiations, although of the six claimants only the Philippines and

Vietnam have actually ratified it. The precedents in international law suggest that all the claims to sovereignty over the Spratly Islands -- a group of tiny islets, sand cays and reefs scanered widely over the southern sector of the

South China Sea — are weak.

The historic record supporting the claims of China, Taiwan and Vietnam is incomplete and in-termittent, and would probably be unconvincing to the International Court of Justice.

None of the claims to the Spratlys, including the more re-cent claims of Malaysia, the Philippines and Brunei, is supported by the requisite continuous and effective control, administration and governance.

Even if some of the sovereignty claims were to prevail, these tiny outcrops in the sea do not appear to be legally qualified to generate surrounding exclusive economic zones out to 200 nautical miles, or the even more extensive continental shelves. According to the Law of the Sea Convention, rocks that cunnot sustain human habitation or an economic life of their own cannot be the basis for such zones: nor can artificial islands.

By Mark J. Valencia, Jon M. Van Dyke and Noel Ludwig

Spratly chain are above water at high tide. The largest has a land area of less than half a square kilometer, and only six others are bigger than 0.1 square kilometer. None of them has ever sustained a permanent population. Vietnam has already taken the position that these islets should oot generate extended maritime zones, and other countries in the region seem

to be moving toward this view. Even if the Spratlys were deemed to be the source of extended zones, they would oot have equal weight to do so in relation to the larger land masses that sur-round the South China Sea. The International Court of Justice and other tribunals have consistently ruled that small islands do not play an equal role in determining maritime boundaries, and some-

times are ignored altogether. For example, Vietnam and Malaysia have continental shelf claims extending well into the Spratly area, and these claims would be considered superior to any claims based on the islets.

If the court were asked to determine the maritime boundaries in the area, it would probably define the area in dispute, measure relevant coastlines and identify significant geographical features to be taken into account. It would develop provisional boundaries based roughly on median lines. check to see whether those lines violated "equitable principles," focusing in particular on the relative coastline lengths and relying on a rough sense of fairness to each claimant. It would then ad-

just the lines accordingly.

In a maritime boundary settlement following such principles and ignoring the Spratlys and the Paracel Islands in the northern part of the South China Sea (which Chinese forces seized from Vietnam in 1974), China-Taiwan, Vietnam and the Philippines would gain roughly equal areas.

Although most of the Macclesfield Bank southeast of the Paracels would go to China-Taiwan, it would not get any of the Spratly geologic block further to

Only some 26 features in the the south. The Philippines would get the oorthwestern portion of the Spratlys, including the Reed Bank. Malaysia would get two sizable sectors off its states of

Sarawak and Sabah separated by Brunei's narrow corridor. Sovereignty over the Spratlys themselves might be allocated based on the sector in which they are situated, or might eventually fall to the present occupants. But in either case, sovereignty would be limited because the islets would generate only a 500-meter safety zone or perhaps a territorial sea out to 12 nautical miles. The Spratlys would be demilitarized and open to access for peaceful purposes by other claimants.

If the claimants could not agree to an allocation scheme, the UN Law of the Sea Convention requires them to establish a provisional arrangement. The coovention also urges cooperation in semi-enclosed seas as well as sharing of the resources in areas beyond 200-nautical-mile exclusive economic zones.

These principles taken together favor a dramatically different option - multilateral joint development of an agreed area.

One logical approach would be for China, Taiwan, Vietnam, Malaysia, the Philippines and Brunei to set aside their claims for now and establish a multilateral Soratly Management Authority.

The authority would adminis-ter the contested area, which could be defined in several possible ways. Our preferred optioo would be to define it as the area. beyond a line halfway between the coastline of the South China Sea and the disputed features in the Spratlys.

The claimant states could be given weighted voting shares in a governing council and financial responsibility in the authority in rough relationship either to their coastline lengths or the original extent of their claims. In either case, China-Taiwan would have a substantial portion of shares, benefits and costs

Decisions would normally be

voting became necessary, substantive decisions on matters affeeting the eotire area would be takeo by a two-thirds vote of the assigned shares.

Decisions affecting a particular location might require a majority of the votes in the governing council as well as a majority of the claimants to the affected area. Nonclaimant states in the region — and perhaps concerned maritime nations outside the region might have a voice, but not a vote, in the operation of the Spratly Management Authority.

The multilateral joint development solution to the Spratlys imbroglio should be attractive, since all claimants would be sharing in the proceeds from the exploitation of resources in and under the disputed waters. The continuing discord and threat of conflict now dominating the region are discouraging investors. If a cooperative solution could

be developed, the claimants would be working together to explore and develop oil and gas, manage fisheries and maintain environmental quality. Such cooperation would greatly reduce the chances of miscalculation and

dangerous confrontation. Other powers not involved in the Spratfys dispute, including the United States and Japan, would be highly supportive because safety and freedom of navigation would be assured through the ... South China Sea, which is an important maritime highway for naval and commercial shipping of many nations.

Mr. Volencia is o senior fellow in the program on international economics and politics of the East-West Center in Hawaii. Mr. Van Dyke and Mr. Ludwig are specialists on international law ond resources of the University of Hawaii. They contributed this comment to the International Herald Tribune:

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: French Alliance

PARIS - M. Ph. de Granlieu in to-day's [Oct. 10] Figaro writes an important article on the 1875 crisis. The Duc de Broglie is to publish the most dramatic part of his souvenirs, which refer to the crise aigue of 1875. The writer says that the duke reveals the implacable hatred of Prince Bismark in regard to France. The incident is important because it marks the commencement of the Franco-Russian Alliance, and shows how the Tsar was led to interpose at Berlin by resolutely covering France with his word and his sword.

1920: Aliens' Wives

PHILADELPHIA -- The Pennsylvania Registration Commission has ruled that American-born wives of Aliens shall not vote in the coming elections. Mrs. Mary Warburton, who was born in the United States, of American parmade by consensus, but when ents, married Mr. Charles C. War-

burton, a British subject, in 1904. since when she has lived in this city. The Commission decided that "the husband has studiously avoided becoming a citizen because he wishes to retain a pension from the British government. Therefore, his wife is a subject of Britain and cannot vote here."

1945: Tokio Reserves TOKIO - Eight years of incred-

ible secret financial dealings by the Japanese Army and Navy was disclosed last night [Oct. 8], after the Allied authorities seizen \$250,000,000 in gold, silver and platinum reserves. The Allied authorities said the Japanese Army and Navy holdings of gold and silver were more than \$12,000,000 and the Japanese Ministry of Finance did not know they had a single ounce. Even more astonishing was the fact the Japanese Army and Navy had made no reports on their extraordinary expenditures since 1937.



OPINION/LETTERS

Condemnation of Terror Must Be Plainly Spoken

By Stephen S. Rosenfeld

WASHINGTON — I asked Mr. Arafat has a record ranging from the outright defense of terrorism to about language":

"We hear you sometimes using words like 'jihad' and 'martyr,' and some people hear those words and they think you're endorsing terrorism in some way. What do those words mean to you?"

This is the First Question. It is the one about Palestinian inteot and confidence oo which all the other practical questions rest, the one that, if not answered acceptably, drains the heart out of the Israeli Labor government's peace constituency and hands the hard-line Likud opposition a ticket back to power.

Ho Bosh

Mr. Arafat answered by distinguishing the propbet Mohammed's "lesser jihad" of battle from his "major jihad" of "the reconstruction of mankind."

"When I use these words," he said, "I'm not really addressing you. I'm addressing those who've been misled and deceived by those religious terminologies. And they are using these people to conduct terrorism. ... And by using this ter-minology, I am winning the Palestinian people, the Palestinian streets, and I am listening and reducing those who are opposing the

Jihad: not struggle but reconstruction. So Mr. Arafat is not, for Arab audiences, winking at the terrorism he otherwise denies. He's preaching peace, and drying up the sea in which the terrorist fish swim.

Is that not clear? No, it's not clear. It falls somewhere between unproven and du-bious. And I speak as an advocate for the Arafat-Rabin effort, Advocates have a reason not to open themselves to charges of being soft on terrorism. The reason is to protect a peace process that others seek to blunt precisely by the claim that the process

itself fosters terrorism. There may be a bit of truth to this claim: Nervousness about change can certainly prompt violence. But there is likely much more truth in the response that it is the existing situation that triggers violence — a status quo of occupation, discontent and hopelessness. This is wby, for Israeli as well as Palestinian inter-

sts, relief must come. In this dispute as in many others, the issue of motive and intent is never subject to easy disposition.

the ambiguous rejection of it.

Increasingly, his security forces have worked on their own against terrorists and cooperated with Israchis. But at best he has shown only a tactical appreciation of Israel's apprehensions about personal security. his purpose being to achieve political goals of his own. He has failed to summon and sustain an unequivocal moral outrage against terrorism.

That Mr. Arafat is still on the defensive on terrorism represents a considerable Israeli victory. Much of diplomacy is devoted to getting your agenda established as the one that must be tended to first. That often means getting your political requirements recognized as more urgent than the other side's requirements. This is what the Palestinian suicide bombers have done for Israel. They have compelled and enabled Israelis to make their personal security the highest priority. No Palestinian priority — security, land, statehood, Jerusalem — comes eveo close.

In this sense, Palestinians as a people have paid more dearly than Israelis for each Israeli death. The terrorism drives the negotiation. It crimps Israel's readiness to trade off land and political privilege to le-gitimate Palestinian interlocutors. This stinginess is evident in the settler-protecting military presence Is-rael insists on maintaining in the West Bank and in its dangerous, continuing land confiscation and new construction in occupied Arab Jerusalem, These Israeli policies are what the terrorist groups and Mr. Arafat's other foes count on to do him and his program in.

Palestinian terrorism is also what the Jewish settler terrorists and the Israeli political opposition, separately, count on to bring down the Labor government of Yitzhak Rabin.

Mr. Arafat and Mr. Rabin are, finally, each other's hostages, Mr. Rabin has his own interest in having a negotiation reflect oot simply a balance of power - Israel's power on the ground remains overwhelming — but a balance of interests. But Mr. Rabin cannot deliver his comtry lo acceptable terms unless Mr. Arafat takes a tough, firm and clear stance, in deed as well as word, against terrorism.

The Washington Post.



The hero

LETTERS TO THE EDITOR

Powell for President

General Colin Powell is a good compromise candidate for U.S.

He avoids the mean-spirited stance of the Republicans and the slow, "let's build a consensus" ap-

proach of President Bill Clinton that many take for waffling. General Powell's views are far more in line with American thinking, since he is neither beholden to the forces that elected Mr. Clinton oor to the disparate "one issue" blocks that are the strength of the Republican Party.

Unfortunately, there are many bigots that would not vote for eveo Jesus Christ if he were black,

An even bigger stumbling block for General Powell is the lack of big money that is unfortunately needed to get elected. As for running in either party:

The Democrats have a candidate, and General Powell's forthright views alienate ton many of the Republican rank and file. His true value is and can be as an articulator of truths that neither major party wants

GERALD C. HARDY. Manchester, Connecticut.

EU Protectionism

Roy Denman inadvertently let the cat out of the bag ("Toward Europeon Economic and Monetary Union, for Some," Opinion,

Sept. 26).

Of the two dreadful fates he claims await Britain and others that refuse to wave goodbye to their national currencies, one is that their exports are likely to be subsequently proscribed from the "core" European Union markets, the other that foreign investment will fly from the peripbery to the "core,"

What do these arguments tell Overwhelmingly, that the EU's idea of economic policy — one might almost say the idea of the EU is fundamentally and irremediably protectionist, and its tactics increasingly a matter of fear rather

than democracy. That anyone can still believe that this protectionism is a durable basis for economic policy is extraordinary enough, but to hold that it is the key to meeting the "Asian challenge" is borribly misjudged.

That Mr. Denman can have overlooked the cost of the protectionism - already evident in the double-

digit. EU-wide unemployment levels — is a depressing symptom of the intellectual hijack of which he is a victim.

As for attracting foreign invest-ment, a Europe politically commit-ted to hiding behind protectionist walls hardly sounds like an attractive long-term proposition. MICHAEL TAYLOR.

On Bosnia

Regarding "Too Bad, General, but You're Wrong About the Bal-kans, Too" (Opinion, Sept. 22) by William Safire:

The position of the West (and of Mr. Safire in particular) was wrong

from the beginning.

Bosnia should not have been recognized before having reached an agreement with Muslims, Serbs and Croats.

The outcome of recognizing Bosnia without such an agreement was written on the wall.

What has been done cannot be undone now, but let at least the blame be put where it rightly PIETRO MANES.

Simpson Plots Comeback In Land of Golden Oldies

By Maureen Dowd

OS ANGELES — The inescapable drone of the doublemurder trial, echoing from car radio to car radio, from TV to TV, has ceased. But the most famous defendant who ever lived is still with us. O. J. Simpson has broken creative new ground in celebrity -

MEANWHILE

becoming a zillioo times better known than he ever was. A gorgeous monster.

In a culture where fame and infamy are interchangeable, it is easy for Mr. Simpson to be reabsorbed

into the churning media cycle. His rehabilitation began, aptly, amid the din of everyone else cashing in: Marcia Clark has a team of agents working on her book. TV and movie possibilities. Jurors have cut deals for the inside story of the deliberation that wasn't. (The Los Angeles Times reports that a group of jurors demanded \$100,000 for an appearance on "Inside Edition," but the show declined.) The defense lawyer Barry Scheck is developing his own television show for CBS ("DNA Man"?). Judge Itomaniac, as the TV critic Tom Shales called

him, is mulling his offers. No deals yet for the Akita dog. Referring to Alexander the Great, Hamlet described the human food chain this way: "Alexander died. Alexander was buried. Alexander returneth to dust, the dust is earth, of earth we make loam, and why of that loam whereto he was converted might they not stop a beer barrel?"

Modern media works on the same recycling principle: O. J. gets in trouble. O. J. dominates the news. O.J. makes tabloid media and checkbook journalism stronger than ever. When O. J. is acquitted, he has his own photographer present at the bomecoming celebration with his friends and family, and those "spontaneous," "heartwarming" pictures, according to the Los Angeles Times, have been sold for six figures to the tabloid The Star. Then O. J. Simpson calls in to the Larry King show while the defense lawyer Johnnie Cochran is the guest, to complain that the prosecution distorted some of the chauffeur's testimony.

As the odious Mr. Cochran beamed like a proud dad and the oleaginous Mr. King salivated at his

scoop, Mr. Simpson neatly reinserted himself into the loam.

Because we were all jurors indeed, we knew things that even the jury didn't know - Mr. Simpson will have to plot his rehabilitation carefully. He will be helped by the nation's love of rebirths, recoveries, comebacks, revivals, golden oldies.

Even Nicole Simpson's father, Lou Brown, sounds ready for redemption, selling Geraldo Rivera: 'Keeping in mind that he has been celibate for what, 15 months, I think he's got a lot of wild oats to sow first of all before he gets back to thinking solely for his children." (What Mr. Brown might bener have said was. hide your wives and daughters.)

The only way to escape talk of the million-dollar deals in O. J.'s future is to go to the small plot of land that marks O. J.'s pasi.

At the Ascension cemetery in Lake Forest, about an hour's drive outside Los Angeles, visitors bring fluwers and teddy bears and rosaries to Nicole Simpson's grave. Her mother and sister Tanya come to leave a vase of red roses --- with nne white one for peace. Tanya admires the anti-O. J. sentiments scanered among the flowers.

A newspaper picture of Mrs. Simpson is pasted on the marble, with a penciled message; "It never should have happened.

A little boy wrote a note promis-ing he would never be mean to a woman when he grew up. A mother wrote Nicole not to worry about Justin and Sydney: "Your children's guardian angels will take care of them," Another wrote: "We don't know why God does certain things or even try to understand, but you know, God can be an angry God, ion, and I'm sure O. J. will suffer for what he did to you. Love, Sandy."

A woman named Candace came with her two daughters because she was so "repulsed" by Mr. Simp-son's call to Larry King. "It made me sick to my stomach," she said. "He's so cunning. There's no remorse at all."

Teresa Myers from Portland, Oregon, stared at the grave for a long time. "Maybe she's better off now because she's at peace," she said. "But maybe she's not because she knows oow that nobody can touch him.

New York Times Service

BOOKS

A GOOD LIFE: Newspapering and Other

Adventures By Ben Bradlee. 514 pages. \$27.50. Simon & Schuster.

By Tom Wicker WHEN Ben Bradlee was writing this memoir, he asked David Halberstam to suggest a title. Halberstam replied, "You've had a good life, Bradlee. Why not call it that?" Bradlee had, and he did, and justifies the title in this exuberant life story by a great editor who

believes be was "put here on earth" to be a newspaperman. Bradlee survived two usually lethal early experiences - a childhood bout with polio and a navy officer's berth on a World War II destroyer in the Pacific. Then, as he tells it, he lucked into successive jobs as Washington Post reporter, press officer of the U.S. Embassy in Paris, Newsweek correspondent first in Paris, theo Washington, next as the magazine's Washington

By the late '50s, he was living on the same Georgetown block as Jacqueline and John Kennedy and had developed a boon-companion relationship with his neighbors.

In fact, luck had less to do with this than Bradlee writes. He was an enterprising reporter from the beginning of his career on a long-dead New Hampshire newspaper, and he was the kind of irreverent, sophisticated, knowledgeable man J.F.K. was likely to take to. Neither set much store by solemnity.

Indeed, Bradlee writes, it was 'after a couple of shonters" that he brashly proposed to the late Philip Graham that Graham should buy Newsweek. Graham did so, creating the Post-Newsweek empire, and Bradlee made an invaluable connection with the Graham family. He soon became managing, later

executive, editor of The Post. The rest is not just journalistic history: Watergate, the ground-breaking Style section, the bold follow-up printing of the Pentagon Papers soon after The New York Times disclosed sion that favored publication. the transformation of the staid

· Gideon Rafael, former ambassador of Israel to Britain, is reading "Remembering My Good Friends: An Autobiogra-

phy" by George Weidenfeld.
"This is the story of the rise of a Jewisb refugee youth from Vienna to peer of the realm and leading publisher by literary intuitiveness, commercial ability, intellectual versatility and eo-gaging conviviality." (IHT)



newspaper.
"A Good Life" is consistent-

old Post into a remarkable miraculous -- business of

ly interesting, of course, to any-one who lived through the times recounts. Three passages gripped me more than most: A detailed account of how

Bradlee, a magazine journalist, prepared himself to edit a daily newspaper. Night and day, from the publisher's office to the blue-collar press room, he worked to learn the husiness, them, the historic court deci- not just his own duties but what everyone did or should do, how the complex — sometimes

putting a newspaper out is ac-complished night after night.

 A sad account of bow the Post covered the wreck of Gary Hart's presidential campaign in 1988. It led Bradlee to this reflection on how his close friend John Kennedy would have fared had reporters applied the same rules of coverage to him: 'I have concluded that he could not have withstood the pressure of publicity. If the American public had learned -- oo matter how the public learned it - that the president of the United states had shared a girlfriend, in the biblical sense, with a top American gangster, and Lord knows who else, I am con-vinced he would bave been im-

peached Bradlee's ultimate conclusion on politicians' "national security" threats to newspapers: "Patriotism is not exclusively the province of administration officials . . . more often than not, in my experience [they] use the claim of national security as a smokescreen to cover up their own embarrass-ment. Those of us who heard Richard Nixon claim he could not explain Watergate because matters of national security were involved will never automatically accept claims of national security. Those of us who were taken all the way to the Supreme Court . . . for the Pentagon Papers . . . remember the solicitor general of the United States 18 years later writing that the national security was never

threatened by publication." 'A Good Life" may be too irreverent for some, too frank for others and discounted by many who apparently believe newspapers and newspapermen are without scruple or bonor. Bradlee's memoir recounts a good life in journalism that nevertheless exhibited both - as well as the talent, the energy and the courage to act on them.

Tom Wicker, who retired in 1991 os o columnist for The New York Times, wrote this for The Woshington Post.



What I really like is its precision

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By Robert Byrne

THE downfall of a contender pionship goes like this. First occurred previously, but it is come second-rate moves that rare because the exchange of create problems. Then agoniz-knights strengthens the black ing over the problems produces pawn center. The Dutch grandtension, which produces errors. Then the opponent lights up the board with explosive power. This was Viswanathan Anand's misfortune in Game 13 of his match against the champion,

Garry Kasparov. In Game 11, Kasparov gen-erated great surprise by adopt-ing the Dragon Variation of the Sicilian Defense. There was nothing wrong with it then. The game went quite safely for him and he won on an out-and-out error by Anand. But that encounter was dull, and it was expected that the champion would look for more action.

Anand, for one move any-way, left the orthodox path of Anand, for one move anyway, left the orthodox path of
the Yugoslav Attack against the
Dragon by playing 7 Od2. He

strange.

It was not long before Kasparov made powerful use of his
reinforced pawn center with Dragon by playing 7 Qd2. He was evidently tempting his opponent to try to disrupt bis development by venturing 7. Ng4, which would have offered lesser-known territory af- 21 O-O-O cb 22 ab Qb3 is ter 8 Bg5 h6. But Kasparov, crushing for Black. Anand should have tried to keep the

the usual path with 7...Nc6. Once again, Anand diverged from the main line's 12 O-O-O, which he used in Game 11, with I for the world chess cham- 12 Nc6 bc 13 Bh6 c5. This has

CHESS

master Genna Sosonko, a Dragon connoisseur, said, "This is

18...e5! 19 de d5! 20 Be2 (20 Bd5? Rfd8 21 c4 fe is disastrous for White) c4!? riveting the white king in the center because ignored the opportunity and position closed by not capturing headed for a transposition into on e6. Then Kasparov could

attack with 19...e4, but the struggle could be prolonged.
Kasparov said afterward: The decisive error was 21 c3.

He should have played 21 Rd1. The plan would probably be to play Qd4 and O—O as quickly as possible. After 21 c3 Rce8 22 bc Re6, it would have been foolish to play 23 cd because 23...Re5 24 Kf1 (on 24 Qd4, Rfe8 wins outright) Nd5 would

be crushing.
After 23 Kf1 Rfe8 24 Bd3 dc 25 Bc4, Kasparov threw the finishing punch with 25...Ne4! Taking the sacrificed knight with 26 fe succumbs to 26...Rf6 27 Ke1 Re4 28 Be2 (or 28 Kd1 Re4 29 Kc1 Rf2) Qf2 29 Kd1 Re2 30 Qe2 Rd6 31 Kc1 Qe2. Moreover, 26 Qe1 Rd6 27 fe Rf6 28 Ke2 Re4 is just as awful. Even the exchange of queens with 26 Qd4 Qd4 27 cd is hopeless against 27...Nd2, winning a piece. Anand gave up.

SICILIAN DEFENSE

By Steven Greenhouse . New York Times Service

WASHINGTON - Environmental threats like the beautiful water hyacinths choking Lake Victoria and the desert sands eating away the sparse pastures bor-dering the Sahara are some of the issues deemed urgent today by U.S. foreign policymakers in much the same manner as such military threats as new missile sites alarmed policymakers several decades ago.

These days, intelligence officials are being asked to look at softer targets — those flowers and sand dunes — to shed light on this decade's hot wars.

Through this optic, Somalia and Rwan-da can be interpreted not as spontaneous outhreaks of clan warfare or ethnic violence, but as conflicts nourished by the underlying strains of hunger, drought and a lack of arable land in Somalia, and huge population growth and population density

programs, expansion of foreign armies — U.S. policymakers are lonking more than ever before at natural phenomena in their search for the deeper roots of war and threats to glohal security.

They are expecting more wars like Somalia, where the United States sent troops to calm a desperate situation spawned by environmental calamities and the brutal political response to it.

To prepare for such future wars, they are analyzing such subjects as levels of the water table in Central Asia and the water hyacinths in Central Africa.

In August, the Defense Intelligence Agency finished a study on the rapid spread of the water hyacinth plant in Lake Victoria, which provides 120,000 tons of fish each year to Uganda, Kenya and Tanzania. The agency noted how a single water hyacinth can multiply into a millioo plants

most of its fish.

The consequences would be serious: famine and such political instability in neighboring countries that the United States could be called in to help.

In looking at the underlying causes of war and crisis, the intelligence community now examines an expanded menu of subjects, including agriculture, demographics, economics and epidemiology.

It looks, for instance, at China's economic boom and how it is causing considerable overcrowding in China's cities; at the AIDS epidemic in East Africa and how it is affecting the region's military and political clites, and at Mexico's industrial leap forward and how it has left millions of peasants behind.

Some old-line intelligence officials disparage this new focus on what they call "soft stuff." But the Clinton administra-

ronmental and natural factors - famine, soil erosion, rapid population growth, the expansion of deserts - that they believe will prodoce many of the world crises of

During the Cold War, most security threats stemmed from state-to-state aggression, so most of the analysis was of factors that could produce state-to-state aggression," said James Steinberg, the State Department's director of policy planning. "Now we're focusing more on internal factors that can destabilize gov-ernments and lead to civil wars and ethnic

strife."
The CIA recently commissioned a study to determine whether there was a correlation between a country's infant mortality rate, the openness of a country's trading system to imports and the stability of its government, hoping that finding a way to view these factors collectively would help

Gathering of the so-called soft intelligence has become routine. The CIA now does an annual study, called "Global Humanitarian Emergencies" that forecasts which countries are most likely to suffer from oatural disasters.

It set up a global affairs department two years ago that analyzes environmental matters, the global food situation and other issues the agency once gave little atten-

"We've been looking at some of these softer issues for a long time," said an intelligence official. "What's different oow is these issues have moved from the periphery to take a more central role." Angelo Codevilla, an intelligence expert

who teaches at Boston University, called this new approach misguided.

"All this soft stuff is a silly idea," he said. "The purpose of iotelligence is to

So in addition to their traditional intelligence gathering—arms, nuclear weapons could ultimately strangle the lake and kill to the country of force on the country of the country of force on the country of force on the country of the stand environmental problems or intelli-

Mr. Codevilla said it was wrong to switch from harder to softer intelligence. The hard stuff is as important as ever because guns will determine the future of the world as much as they ever did," he

Toby Gati, assistant secretary of state for intelligence, disagreed, saying, "This soft stuff immediately becomes hard when you have to send in the Marines."

George Moose, assistant secretary of state for African affairs, is a promoter of this new approach and says that if the intelligence community had studied Somalia's water table levels in the three years before the outbreak of famine and clan warfare there, the information might have warned diplomats of an immioent crisis.

> Party, the largest member of the governing coalition, also said

Japanese news coverage of

the denials has been skeptical,

and television reporters won-dered aloud Monday night why

resign without an investigation

The proposal to revise the

that the experience of Aum

Shinrikyo shows the need for

further cootrol over entities

that claim they are religious or-

On Monday, an Aum mem-

ber admitted in court to bug-

ging the home of an army com-

to verify the facts.

ganizations.

Pontiff's Message **Defies U.S. Politics**

He Urges Concern for Poor ing his fourth pilgrimage to tion draws ocarer, it has a the United States as he be- new resonance. gan it, with an appeal to Americans to live up to their difficult to pinpoint where

Although Vatican offi-cials and leading U.S. hish-everywhere, does not hesibiblical morality and church life. doctrine, Pope John Paul Contemporary issues may knew he was oot speaking in change, he has said, but the doctrine, Pope John Paul a vacuum. He follows devel-

Thus it is oo secret to the Pope that eveo as he has which played such a formabeen urging Americans this tive part in the very foundweek to open their hearts to the poor and the downtrod- cluded from that debate?" den, the newly Republican Congress is seriously considering legislation — opposed U.S. visit. Catholic bishops in the United States -- to reduce tion between faith and acgovernment benefits for the tion. He said democracy poor and the elderly and to could not be sustained withtighten American borders to out a shared commitment to

encies that have helped elect sists oot in doing what peo-Congress' Republican ma- ple like, but in having the jority are members of the right to do what they ought. have eheered and wept as told the faithful: "Somethe Pope urged prosperous times, witnessing to Christ

fortunate countrymen. again on his latest journey to under assault."

BALTIMORE - In end- oext year's presidential elec-

While some may find it ideals, Pope John Paul II de-liberately cut against the his religion begins, the fact is grain of contemporary polit- that he intentionally lets them overlap. Pope John ops say the Pope's message tate to integrate issues of was carefully grounded in faith into the fahric of daily

uoderlying moral frameopments in the United work hy which Christians States and receives regular must judge individual conhriefings from American duct and public policy remains constant.

"Can the hiblical wisdom ing of your country be exthe Pope asked Sunday, the fifth and final day of his

The Pope sees a connec-

moral truths and a recogni-But among the constitu- tion that true freedom con-So it was that the Pope

Americans to help their less- will mean drawing out of a culture the full meaning of The Pope's message is not its noblest intentions, a fullnew. He has repeatedly spo- ness that is revealed to ken out, for example, in de- Christ. At other times, witfense of the poor, the elderly nessing to Christ means and the homeless, as well as challenging that culture, esagainst abortion and artifi- pecially wheo the truth cial birth control, as he did about the human person is



Senator Sam Nunn announcing Monday in Georgia that he would not seek re-election, a new blow to Democrats.

NUNN: Senator From Georgia, a Shaper of Military Policy, Will Retire

Continued from Page 1

supporter of military spending: He has supported closings of

ty. He opposed President action, and Mr. Nunn favored George Bush's commation of an initial troop deployment.

John G. Tower as defense secre
But when ac addition and other high-tech systems.

dent's man. Though he hacked in July 1990 that Saddam Hus-Mr. Reagan's military buildup, sein of Iraq was sending out he fought his interpretation of the Anti-Ballistic Missile Trea-lead to a need for U.S. military

But when ao additiooal tary but helped, in the Bush 250,000 soldiers were sent withyears, to save the B-2 bomber out Mr. Nunn's being consulted, he was more than distressed. nority.

One of the most conservative "The last thing we need," he Mr. Nunn's decisioo acceler-bemocratic secators, Mr. Nunn hacked the Bush adminhearing, "is to have a war over from a traditionally Democrative and the second se U.S. military hases made superliuous hy the end of the Cold
War.

But he clashed sharply with
Mr. Nunn has helped many
presidents but been no presiThe Georgia senator foresaw

The Georgia senator foresaw

Colleagues say Mr. Nunn states. was tired of partisan conflict in Congress and chafed at the prospect of serving for the indefinite future in a political mi-

In the end, the U.S. military again oext, year, four are from victory came at far lower cost in the South. In the last two elec-American lives than he expect- tions. Democrats have lost six seats in the II Deep South

> For investment information Read THE MONEY REPORT every Saturday in the IHT

Similarly, there are signs of a

conservative backlash at Isfa-

that women must sit in the back

JAPAN: Justice Minister Resigns .

religions organization. The maio opposition group, the that his party did not intend to New Fronner Parry, has strong pursue the matter. backing from a Buddhist group Japanese news and opposes major changes in

"Swearing by my hooor, there was no such secret deal," Mr. Tazawa had been forced from the secret deal," Mr. Tazawa had been forced from the secret deal, and the secret deal, an Mr. Tazawa said at news conference after announcing his resignation. "But I have made this decision in light of the need law on religion has become one to pass the extraordinary bud- of the most contentious issues get through the Parliament at in Parliament. Supporters argue an early date." Mr. Tazawa, 62, said he did

not want attention on his problems to block work on the supplementary budget. In addition, he said he wanted to resign to take responsibility for the trouhle he had caused,

The opposition denied that it mander. Aum allegedly wanted had reached any secret agree-ment with Mr. Tazawa, saying that it was a saying mation that could be used to that it ran out of time to ask blackmail the commander into embarrassing questions. The joining the cult. government also seemed eager to drop the matter,

"Both the New Frontier Par- ducting the 77-year-old mother ty and Mr. Tazawa say they have made oo such deal," said Koken Nosaka, the chief cabi-oet secretary, "We have no plans to investigate the case."

of an Aum member so as to get money from her. Anger at Aum has made revision of the religious organization law popular, but the parlia-

Also Monday, four Aum members pleaded guilty to ab-

Ryutaro Hashimoto, presi- mentary opposition is strongly dent of the Liberal Democratic resisting.

DAIWA: Tokyo Knew of Vast Loss

Continued from Page 1

fraud in a ramhling 30-page did not tell them they should do confession sent to the bank's it within a certain number of president on July 26. Daiwa had earlier said it

tified Japanese and American analyst at BZW Securities (Jaccutives said at a press conference that they had informally advised the Ministry of Finance's top banking official, Yoshimasa Nishimura, of the problem Aug. 8.

The revelations would be poorly received by U.S. financial authorities like the Federal Reactions would be poorly received the received and the revelations would be poorly received to the received to the received to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the Federal Reading to the received by U.S. financial authorities like the received by U.S. financial authorities like the received by U.S. financial authorities like the

had been incurred by a trader at 1987, the hank's New York office.

encounter, suggesting that Mr. reporters, speaking of the Nishimura was told only Daiwa Trust loss.

it was told of the losses by Daiwa. "It was a very difficult and delicate case," said a ministry official who spoke oo condition of anooymity. "At that time, the financial authorities judged 5500 billion in sour loans, and the Daiwa scandal has further it was premature to share the

information with other authori-According to Toshio Muraki, who works under Mr. Nishi-mura as the director of the commercial banking division, Mr. funds Fnjita told the ministry that he seas. had received a letter from an employee in its New York tutions are seeing their credit branch that said he had in lines being trimmed by Americurred a big loss from United can institutions, and others are States bond dealings. Mr. Fujita said that the hank was not sure of the letter's accuracy and was investigating it, Mr. Mur-

The ministry's Mr. Nishi-mura told Mr. Fujita to "find out the situation as soon as possible and report to us immediately when you do," Mr. Muraki said.

aki said.

Then, on Sept. 12, Daiwa informed the ministry of the \$1.1 billion loss and outlined how it happened. Daiwa did not make its official report to United States authorities uotil six days later, and Finance Ministry officials did oot inform the United States cither.

The news of the loss became public oo Sept. 26, when Mr. iguchi, the trader, was arrested by the Federal Bureau of Investigation and accused of falsifying records. Ministry officials said that it

was the bank's role, oot the ministry's, to inform American authorities of the scandal.

"We receive all kinds of whistie-hlower calls everyday, but we do not report it before we clarify whether it is true." Mr. Muraki said Monday in an interview. "On Sept. 12, we told the bank to report to authorities including the Bank of Japan

and the United States instituit first learned of the colossal tions as soon as possible, but I

days." David Threadgold, a hank regulators of the loss oo Sept. pan) Ltd., said that he thought 18. But on Mooday, Daiwa exthe revelations would be poorly

problem Aug. 8. Monday that its United States
Daiwa said that on that day
its president, Akira Fujita, told
its president, Akira Fujita, told Mr. Nishimura that a large loss from financial authorities since

"I am rather astonished --While the ministry acknowledged Monday that the meeting
suke Shinozawa, Japan's top fitook place, it played down the nancial official, told Japanese

sketchy information in a chance The revelations Monday meeting. It also denied that it came as Daiwa announced the was backtracking on previous resignation of Mr. Fujita and statements about exactly when Sumio Abekawa, Daiwa's chairman. Mr. Fujita's resignation takes effect immediately.

> the Daiwa scandal has further + tainted perceptions of Japanese financial institutions. Even the best of Japan's hanks are now paying at least a quarter of a percent more when they raise funds in money markets over-

having difficulties raising longterm funds, Japanese bankers and officials say.

Corsica Militant Group Calls Halt to Infighting

AJACCIO, Corsica - A Corsican nationalist group seeking to end French rule of this Mediterranean island declared a cease-fire Mooday against a rival pro-independeoce movement after a feud in which 12 people died this year.

The Cursican National Libcration Front said it was suspending attacks against the rival Movement for Self-Determination "in answer to the deep yearnings for peace of the Corsican people." The Front said the dispute had developed into "a Mafia-like showdown" over attempts to control economic assets in southern Corsica.

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IRAN: A Pleasant Place Ruled by Mixed Emotions About Tehran's Course

Frustration with government gram has been instituted. economic policy runs high But for all their complaints

ate the public development ef- ages.

among the merchant class here. a beltway, oow 30 percent complete, as well as new powergenerating capacity, which has

and other essentials. Many see bursting with new parks and no alternative hut to take a sec- landscaping, the river has been cleaced up and a recycling pro-

about economic mismanage-ment, many Isfahanis apprecial but eliminated power out-

needs. Because of overcrowd- gious instruction. ing, public schools typically op-

have as many as 50 pupils. Western-trained professionals teachers said. forts of the last few years. Such
efforts of the last few years. Such
efforts of the last few years. Such
efforts reflect the ambition of
President Hashemi Rafsanjani
to win popular support for the
country. But those who stayed

The government bas dealt of theocratic rule. with the shortage of schools in

Continued from Page 1 costly eight-year war with Iraq in the 1980s.

wages have lagged far behind inflation even as the government trims subsidies for food striking results. The city is

ously failed to keep pace with just two hours a week to reli-The qualitative improveerate in two daily shifts, and ments have woo the govern-Other improvements include even then classrooms often ment grudging admiration from

But one continuing sore



"The higgest failure of the han University, where school Islamic republic is the failure to authorities recently ordered

as renting a pedal boat comes under the scrutiny of govern-ment authorities. Police keep a close watch oo the operation to make sure the boars are not rented to unmarried couples. "Their behavior tells us, their faces," said an officer, "If we find out they're not related, we'll send them to the local authorities. They will call upon their parents and advise them." Added another police officer, "I consider all women in this country to be part of my own family, so we have to protect

tainment options.

create fun," an academic said. Even something as innocent

part by permitting the opening point among many educated decision further limited an al-of "oooprofit" — meaning pri-Iranians is the mullahs' restrictive ready narrow range of enter-

MOSCOW — Russia suspended participa-tion in talks Mooday with Chechen rehels on a schedule for disarmament and a troop pullout as tensions in the secessionist republic increased following a bomh attack that grave-

the declaration of a state of emergency in Chechnya, sought by some hard-line advisers who want to respond to the bomh attack with renewed military operations.

But other Russian officials said such a

Grozny, the Chechen captial, that the decision to suspend work oo the Special Observer Commission was taken "in connection with the deteriorating situation" and the serious condition of Lieutenani General Anatoli Romanov, who was the target of the bomh attack

General Romanov's convoy was hit by two radio-controlled explosive devices as it passed through an underpass in Grozny, killing his driver and an aide and wounding at least 15 others. General Romanov, who suffered brain damage, has remained unconscious in a Mos-cow military hospital.

timetable for weapons surrender and Russian troop pullouts, had been not been advancing rapidly. Russian officials said they were only suspending participation, oot canceling the talks. Chechen representatives warned that any slowdown would only lead to more vio-

Dzhokar Dudayev to set up armed guard units in all the populated areas of Chechnya.

Meanwhile, firefights continue between Russian troops and Chechen rebels.

Over the weekend, the Chechens accused Yurt when they were ambushed by Chechen

By David Hoffman

ly wounded Russia's top commander there.

As of Monday night, Mr. Yeltsin had not yet made a decision. But the announcement that the military talks oo disarmament and withdrawal were being suspended was the latest sign that the accord signed July 30 was

Russians Break Off Chechen Talks

Yeltsin May Declare Emergency After Bomb Attack

Washington Post Service

President Boris N. Yeltsin was considering

The military talks, aimed at settling on a

General Vlasenkov told the news agency

government after the privations in Islahan say the community is classes of no more than 25 stu-which officials see as a source of visited on Iranians during their reasonably well served by 10 denis, a relatively well-Western cultural pollucion. The FRANC: Bonn and Paris Rush to Currency's Defense

Continued from Page I for European monetary union. Both the currency and Paris equity prices have weakened since Sept. 20, when France's 1996 budget was presented and investors said they were disappointed that crucial tax and welfare reforms had been de-

Jean Arthuis, the French si-

nance minister, on Monday

hlamed negative press coverage

in part for the political prob-lems facing Mr. Juppé and the fall of the franc. The French currency lost 1 percent of its value against the Deutsche mark late last week because of fears that Mr. Juppé might have to resign if he were placed under investigation. Last Friday the Bank of France increased the 24-hour interest

currency speculation. On Monday, the French currency fell to 3.53 francs against the mark, compared with 3.4434 francs Friday, before the latest rate increase was anoounced. It then recovered to close at 3.5104 against the

rate from 5.55 percent to 6.15

percent in an effort to stanch

Analysts said the franc had also been affected as currency speculators. The two consecu- higher unemployment,

traders responded poorly to the live increases in the overnight rhetorical support that Group rate, from 5.5 percent last week of Seven finance ministers of to 7.25 percent, are a strong fered for the dollar. As the dol- signal that the Bank of France lar was sold for marks, the German currency streogthened further against other European currencies, including the franc. London, said the French and

Mr. Arthuis, speaking at a German authorities had sucnews conference in Washing- ceeded Monday in halting the ton, tried to reassure markets franc's slide. He noted that beby insisting that the franc cause mainly banks borrow at would soon recover and that the the 24-hour hour rate, the move interest-rate rise would he short-lived. He and Mr. Trichet declined to say whether the market," he said, "But if it rein foreign exchange markets to could start feeding through to support the frane.

But economists warned that

and rely oo the help of the Bundesbank to jawbone marits strength. "I would call this a prelude to a crisis," said Carl Weinberg, Monday that despite Mr. Arthinternational economist at High uis's pledge that the interest international economist at High uis's pledge that the interest Frequency Economies in New rate would be brought back

the franc to get really socked by

is concerned." Juliao Jessop, Eoropean economist at HSBC Markets in

Bank of France was intervening mains high, after a while it

the economy. Mr. Jessop and other econothe franc's troubles were far mists said that if the Bundesfrom over, saying that having to bank wished to continue supraise a key French interest rate porting the franc, it could lower its key money market rate Wednesday from its present kets was a sign of the French level of 4.05 percent down becurrency's weakness rather than low the psychologically important 4 percent harrier.

Several economists said

economic growth and result in

York. 'These are the traditional down soon, a protracted period

moves that France and Germa- of higher rates, together with

ny undertake when they expect rising French taxes, could slow

declaration would be ineffective, or unnecessary. Chechen separatists also warned that a declaration could unleash a new wave of

under increasing strain.

Major General Viktor Vlasenkov said in

Itar-Tass that the talks were moving at a "slow pace" and that disagreements remained, including whether the agreement al-lows forces of the Chechen separatist leader

the Russians of bombing two villages south of Grozny, Roshni-Chu and Mesker-Yurt. The Russians responded that they had not bombed any villages over the weekend but that troops had returned fire near Mesker-

TRACKINGTELECOMS

CONVERGENCE LEADS TO MORE PERSONALIZED PERSONAL SERVICES

Technological advances are bringing new opportunities daily.

hen, in the 1950s, Popular Science magazine depicted the home of the future, it showed us appliances, robots and surfaces clad in shiny new plastics and metals. The message was that new machines and materials created by re-engineering molecules will eliminate the drudgery of daily existence.

Village Bigg

Microwaves, teflon and other modern miracles are now part of our everyday life. But what the 1950s predictions did not foresee was the next phase: the movement from materials to information as the empowering

Today, the computer's ability to reduce complex information to simple "zeros" and "ones" that can be reconstituted in dozens of ways is transforming our lives. It enables us to tailor services to our specific needs, and it frees us in ways that reconstituted atoms once promised to do.

atoms once promised to do.

We have already seen the changes at the office, with telecom networks flattening hierarchies and bringing head-quarters into closer contact with branch offices. Indeed, the traditional office is being eliminated altogether, replaced by a telecommunications network that electronically links widely scattered staff members, welding them into a team as if they occupied the same building.

That same convenience is now becoming available at home, turning our living rooms into command centers and making us all telecommuters. It is reducing travel time to work, shopping malls and banks while giving us unprecedented access to information sources and forging links with other people and entities

people and entities.

At the heart of the new revolution are the telephone and the computer. Most homes in the developed world have at least one telephone. And, according to the Wall Street Journal, 31 percent of American homes now have personal computers, one-third of them with modems and multimedia capabilities.

This is not solely a U.S. phenomenon, however. Of the 60 million computers that will be sold this year, 50 million will be bought in countries outside North America. What does this mean for the way we work? By connecting telephones, computers, video, data retrieval and voice communication facilities, an employee never has to go to the office.

From a kitchen table, documents and drawings can be downloaded from an office mainframe. Home workers can videoconference with colleagues or clients; source supplies and reference works from databanks, libraries, bulletin boards and the Internet; talk with overseas clients through an on-line translator, and a good deal more.

Long-distance face-to-face

Add a video connection, and it is possible to consult a doctor or converse with a friend in a distant country. E-mail reduces trips to the post office. On the Internet, users can read books, find a product review and purchase items at a virtual mall. Recognizing

Continued on page 10



Personalized Services

For the individual, personalized services means goods and services tailored to one's needs, many of them provided through Universal Personal Telecommunications, available wherever one goes. For suppliers, this means expanding intelligent networks to provide more sophisticated services to more users. But will global infrastructure and global standards develop quickly enough to satisfy the growing demand for truly universal UPT?

Inside

Page 10 Telecommuting

Page 11 U.S.-Canada links Australia's new networks

Page 12 Smart Cards get smarter European standards

Page 13 Japan's new services

An IHT/ETSI initiative.

.

Universal Personal Telecommunications: More Than a Service

Developing countries could be the top beneficiaries of UPT.

Universal Personal Telecommunications (UPT), with voice and e-mait potential, promises to be a killer application. But the big questions remain: Who is going to make a killing, and who's going to get killed?

Handheld personal-computer communicators linked through global

Handheld personal-computer communicators linked through global wireless networks promise to do more to shrink the world than anything since the invention of the telephone itself. They not only will be the six-gun for the road warriors of the business world, but they will also be the key to unlocking the economic and human resources of developing countries. Wireless communications could allow people in areas without a wire infrastructure to have telephone access much sooner and much more cheaply than they would if their governments tried to string wire to every village.

Linking up the world
The potential of the technology is seen in one stark statistic from the U.S. National Telecommunications and Information Administration: Fifty percent of the people in the world today have never used a telephone. Universal per-

Continued on page 13

INTELLIGENT NETWORKS INCREASING THEIR IQS

All networks are intelligent, but some are more intelligent than others.

Ns (Intelligent Networks) refers to an architecture in telecommunications networks that enables telecom operators to offer enhanced features to their customers. Explains Nancy Fennelly, group marketing manager, communications business segment, for Digital Equipment in Europe, "Previously, equipment manufacturers provided these services through software. But you can add new, more sophisticated features faster through INs."

What are the features most sought by customers? AT&T, he its second quarter 1995 shareholder report, announced that its customers want help "managing their busy lives, support as they adopt new technologies, convenience in reaching others and easy access to information and entertainment services." To address these needs, AT&T has "assembled offers that marry intelligent devices with the intelligence in [our] networks."

Intelligent networks have been around for over a decade on wired networks. Perhaps their best-known feature is the toll-free number. Other ser-

Continued on page 12

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TRACKING TELECOMS

PERSONALIZED SERVICES

TELECOMMUTING: BENEFITS FOR COMPANIES AND WORKERS

Some predict that half the U.S. work force could be telecommuting by 2000.

Telecommuting promises to be one of the global their workers home — And in some U.S. states, such as California, telecommegatrends of the 21st century, but so far it is much more a trend in the United States - where companies are known for being more flexible, and workers more demanding about lifestyle choices - than in Europe or

A study by Link Resources, a New York market research firm, estimates that 37 million U.S. households nearly 4 in 10 - have at least one person who works from home at least part-time.

U.S. telecommuters

The hard-core telecommuters, people working full-time or part-time at home during regular business hours, total 8.4 million; they make up the fastest-growing segment of those who work at home - up from an estimated 2.4 million in 1990 and 6.6 million in 1994 to more than 8 milliun this year. Some experts guess that up to half the American work force could be telecommuting at least part

of the time within five years. These "lone eagles" are often creative types who can work alone - writers, designers, artists, researchers, and computing and communications workers - or sales and service people who are on the move. There is a growing class, who describe themselves as "road warriors," who work almost consultant and the author of every day on the road, living and working out of suitcases and with portable computers and communications equip-

Some major companies,

telecommuting can mean a huge savings on corporate overhead. For most companies, however, it is still experimental, used just for workers who want or need to be at home.

"Right now, [telecommuting] is still on a case-by-case basis," says Ruth Katz, an executive with Work/Family Directions, a Boston consulting firm. "All the stars have to be aligned. But we expect to see more of it."

Most telecommuters seek out arrangements where they can work at home, often for family reasons such as the need to care for young children, but more companies are suggesting telecommuting as a means of keeping productive employees who otherwise would quit, such as young mothers or workers who are moving to follow a spouse.

Keeping good workers
"You don't become more

competitive only by reducing cost. You do it by getting the best people and letting them work in the ways that are most effective for them. Where you are has little to do with what you produce," says Franklin Becker, director of the International Workplace Studies Program at the Cornell College of Human Ecology.

Jack Nilles, a Los Angeles the book Making Telecommuting Happeo, says a telecommuter working at home 1-2 days per week can save most companies \$6,000-\$12,000 a year besuch as AT&T and IBM, cause of increased produchave closed down entire of- tivity, lower staff turnover



sumption per year. A 1994 survey of American office workers by a business research organization found that 57 percent be-

gallons in gasoline con-



advantage of telecommuting, while 48 percent said they like the idea of estab-

job stress would be reduced by telecommuting and 30 percent said they wanted to lishing their own working stop commuting.

however, workers' concerns about being isolated: 4 in 10 said they were afraid that they would not have quick,

Telecommuters turn their living rooms into their offices, and forget about

adequate access to information they need if they worked at home. That's something managers have to learn to deal with - along with the annual costs of up to \$10,000 per telecommuter for equipment and phone

New kind of management Perhaps even more difficult for some maoagers, telecommuting requires a new relationship with employees, and a loss of traditional managerial oversight and control.

One of the side effects of

telecommuting is the transformation of telecommuter towns, remote communities that attract people who want to combine an active outdoor lifestyle with telecom-muting. Examples in the United States include Telluride, Colorado; Buffalo, Wyoming; Durango, Colorado; and Sun Valley, California. In those and other towns, local officials are establishing "electronic village" communications service with casy, quick access to the internet and other high-tech communications

Personal Services Becoming Increasingly Personal

Continued from page 9

the computer's new role as an interface between the home and the world, 19 major banks in 36 U.S. states began giving their customers free software allowing users to download information about their accounts, plan retirement programs and prepare tax returns. Small businesses can access creditcard charges and prepare their payrolls. Customers appreciate the convenience of home banking, and banks welcome the opportunity to reduce the costs of operating fully staffed branches.

Many new telecommunications services are made possible by intelligeot networks, which automatically carry out a series of operations before the phone rings in the subscriber's home - all without human intervention. Today, a phone owner's location is more important than the telephone's location when others try to call. With 700 Global Numbers (called 500 numbers in the United States), a single number follows the owner wherever he or she goes. The number can be the user's for life, making possible phone calls, the sending and receiving of faxes, videoconferencing and the downloading of information anywhere on the planet.

Personal digital assistants and palm-top computers hold data vital to the mobile executive. The devices can be connected to telephones to retrieve data, faxes and e-mail. Someday, these devices may be merged with cellular telephones and Personal Communications Service handsets to give one wireless access to a broad range of services, making workers truly mobile and no longer reliant on an office, a database or even a fixed address.

Smart Cards are facilitating transactions, combining and

enhancing the functions of the magnetic-stripe credit card and the stored-memory phone card. The card's embedded memory chip holds financial data and medical records, and can serve as an "electronic wailet" for making a wide range of purchases without having to access a central databank for authentication.

Telecommunications also enables us to personalize our entertainment preferences through interactive television. 500-channel television and video-on-demand. The same networks will soon bring programs from Johannesburg. Rio or Kathmandu. Someday, we may even be able to vote on national issues, the ultimate exercise of personal power.

Making these miracles happen are the telecommunications, cable, computer hardware and software providers, Digitization, miniaturization, video compression algorithms, digital-signal processing chips, bigh-speed phone lines, LAN (Local Area Network) connections, carrier networks (notably fiber-optic networks), encryption, memory storage, acoustics, call-control software and broadband switching mechanisms make it all possible.

Alliances

Providers are tumbling over each other to offer new services. As bewildering as the host of new products is the number of collaborations among those formerly regarded as competitors who now recognize the benefits to be gained from mergers. Alliances are occurring at a dizzying rate in response to new imperatives and opportunities. Each one is leap-frogging over a new technology that may have been established only the day before, and in turn being outpaced by yet a newer approach.

To date, the alliances have been within national boundaries, but they will soon expand to include regional and ultimately global collaborations to take advantage of special competencies. These advances are supported by universal technical standards formulated by international bodies, thereby ensuring system compatibility and interoperability anywhere on earth. Economic factors are driving the new development. Executives now recognize the cost benefits of the new technologies, which can cut office overheads (including expenses for support and secretarial personnels, travel costs and stationery expenses. The universality provided by mutually accepted standards means that companies in all countries can talk to each other electronically.

But the revolution is by no means over. Progress in broadening bandwidth and speeding data transfer will enhance the capabilities of existing technologies and open the doors to the creation of new ones. For the individual, the benefits extend beyond mere cost savings. Personalized services enable users to set their own work hours, to live where they want, to spend more time with the children, to keep the family at home in the evenings and to save trips to the library, doctor, bank, post office and shopping malls.

Reduced travel time

As a bonus, the reduced travel time minimizes wear and tear on the environment, spreading the population and releasing fewer fumes into the air. It is unlikely that we will see the disintegration of cities and corporate office towers, but certainly the boundaries between urban and rural will begin to fade. Ironically, technology may take us, not away from nature, but closer to it. Steve Van Beek



NIGHT RAID ON MONTE CALVO.

The Bell Jet Ranger arrived at the rendezvous exactly 15 minutes past five in the morning. Just as Operations had planned it.

It landed on the plateau 1,600 meters above sea level where it had dropped the professionals and their equipment the evening before. Two men hustled onboard, and the helicopter lifted, banking into the rising sun. They were quiet. They knew their night job had been a success. Secretly they had shut down a key part of Italian relecommunications for thirty minutes without anybody noticing. And when they turned things on again, nothing was like before.

The raid on the cellular transmission station on Monte Calvo was only one in a series of 1,400 nightly missions that took place in Italy during June, July and August of 1994. And they were all the result of a giant miscalculation. A killer success, some people called it.

Simply put, when cellular telephony was introduced in Italy in the late eighties, nobody had counted on the market ro explode the way it did. (To be honest, we at Ericsson were also caught by surprise - despite having built mobile phone networks in 74 countries around the globe.) The Italians love their telefonini.

The first signs of congestion could be seen in Toscana in

the spring of 1993. Then came the summer. Vacationers brought their cellular phones to popular seaside resorts only to find that they could not access the network without great difficulty. Or not at all.

But real serious trouble started in the fall, when the Italian network operator, TELECOM Italia Mobile, launched low famiglia tariffs aimed at the residential market. The goal was 50,000 new subscribers per month — before year's end, the actual number was double that! And increasing. In December, the operator realized the network was approaching full capacity. With cellular grid lock looming on the horizon.

The big question was: Is there any way of expanding the existing network instead of suffering the incredible pains and costs of building a new one? And do it now. right now?

A saner group of persons would probably have said. "No. not under these circumstances". But to us at Ericsson, the challenge was just too exciting to pass up. (Dedicated? Yes. Sane? Not always.) We decided to throw all available resources at the problem. And to get the customer directly involved in the work from day one. And to try new approaches without hesitation. And to do all this at the breakneck speed the crisis-like situation called for. We gave the project code name CN-A9.

Of course, you have already guessed that we solved the problem (or this ad would not be here, right?). But the story has a few interesting twists to it, as you shall see.

From a full "practical" capacity of 800,000 subscribers and a full "theoretical" capacity of 1,500,000 subscribers, we extended the existing network so it could handle more than 3,000,000 subscribers. Without adding a single base station

What we did add, however, was a new, second access channel. (We performed a few other tricks, too, including some true on-the-spot inventions, but this was the heart of the solution.) One of the 24 voice channels in each cell was put to duty as a subscriber access channel instead.

Now, this may sound like a simple enough idea, but it was something that had never been dooe before. Anywhere in

In a brief period of five months, a team of Swedes, Canadians, Englishmen and Italians turned the idea of double access channels into reality. These were people from Ericsson, from the Italian mobile operator and from the national relecommunications company, TELECOM Italia. They all worked to solve a single problem. At rimes, it seemed they all worked for a single company.

In Stockholm, they analyzed the congested network. In Calgary, they developed new two-channel software. In Karlskrona and Guildford, they laboratory tested each solution. And in Rome, they designed a "battle plan" for how to implement it all on site.

Because, to make it work, in the end they would bave to revisit all 1,400 base stations, install the new software, and retune the radio signals of almost 5,000 cells, one by one. (It was imperative that the two channels were tuned to exactly the same frequency, or the stations would favor one channel only. And nothing would have been gained.)

The guinea pig was to be Pescara, a small rown on the Adriatic coast. And, one is tempted to say, of course things didn't work. But a minor infancy glitch was worked out in a day and a half. After that, all systems were "go" for a national roll-out. Florence came the following week, then Cagliari, then Napoli, then the rest of the country.

Every night, two to three hours after midnight, teams of experts visited base stations and cells in the network, sbut them down, changed them over to two-channel operation, and turned them on again. On mountain sides, on roof tops, on rocky beaches, on steel towers. Planned and orchestrated like a military operation. Without a single subscriber complaining. Or even noncing.

So, the same summer night that Italy played Bulgaria in the World Soccer Championships in the United States, the multicompany, multinational CN-A9 task force gathered in Florence to celebrate. They could toast a predictable Italian soccer victory. But, more significantly, they could toast a great accomplishment of their own - maybe not fully as predictable at the outset.

So, is that it? Unfortunately not - or fortunately, depending on which view you take. The Italian cellular boom continues, and the access congestion is slowly but sadly coming back. And this time you can't repeat the old channel trick.

The new solution will be to shrink the size of the cells instead. Which is also easier said than done, because the need is biggest in the cioes, where there is little room for new base stations. (In sophisticated Portofino, TELECOM Italia Mobile even had to buy a small apartment and put the station and its antenna inside the living room.)

This next Italian build-out phase has been called The Impossible Step. We, at Ericsson, can bardly wait to sink our

TRACKING TELECOMS

PERSONALIZED SERVICES

U.S.-CANADA STANDARDS: MORE ATTENTION NEEDED

Lack of standards may result in equipment duplication.

The United States should large scale, interoperability be doing more to achieve has to be front and center in new telecommunications all information infrastructure standards in North America. according to a Canadian ex-

The lack of attention to standards within the United States is a worry for the rest of the world," says Keith G. Knightson, a member of the U.S. ANSI Information Infrastructure Standards Panel

Inhibits or facilitates?

"Certain factions in the United States seem to believe that standards are an inhibiting factor," says Mr. Knightson, who is also chairman of the Telecommunications Standards Advisory Council of Canada working group examining Global Information Infrastructure standards

"Outside the United States, standards are generally viewed in a more positive light and regarded as facilitating factors and as a basis for free and fair competition," he adds.

Interoperability is key Canada feels that to achieve meaningful and open communications oo an extremely

initiatives, according to Mr. Knightson.

"Any limitations on interoperability will constrain the degree of communication possible and will unnecessarily restrict access to information and services," he points out.

"As a result, many in Canadian industry feel very strongly about the use of open standards, and we are recommending that ways be found to ensure that open standards form the basis of all highway networks, products and services."

Global infrastructure

Mr. Knightson says the Global Information Infrastructure is a gigatrend because it encompasses the socalled megatrends of telecommunications.

This is because so many different base technologies and industries that have been compartmentalized up to now have the potential for convergeoce and integra-

tion," says Mr. Knightson.
"For instance, one could imagine receiving videophone calls on your home

"PERSONALIZED SERVICES"

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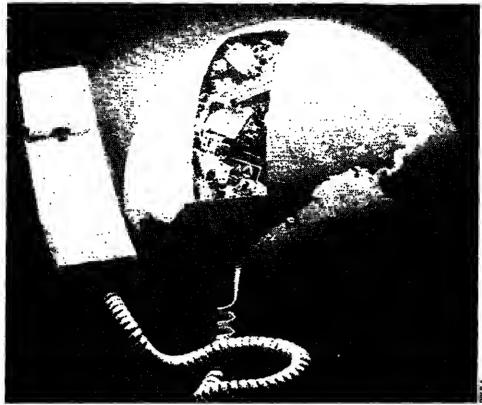
WRITERS: Claudia Flisi in France, Timothy Harper and Janet Levaux in the United States.

Nigel Hopkins in Australia, Fred Langan in Canada, Annie Turner and Bob Whitehouse

in Britain, and Steve Van Beek, who is based in the United States and Thailand,

PROGRAM DIRECTOR: Bill Mahder.

Tomorrow's section: Network Management.



Calling the world: Telephones are going global.

theater equipment, or perhaps printing the contents of a particular TV frame on your laser printer. One could imagine having a single access line to the home for all voice, data and video services, being able to dial home to program the VCR. turn on the air conditioner. and so on. One can argue that this can be done today.

easily.

There is no generic plug and play of the various components belonging to the telecommunications, computing and entertainment worlds," he cootinues.

and so it can. But not very

"There is no seamless interoperation amongst the telephone system (wiring and telephone components), the cable-TV sysiem (wiring and components), the personal computer system (wiring and components). the home security system (wiring and components). and so on."

Map being redrawn Mr. Knightson says the tra-

ditional lines of demarcation between the communications, information and entertainment industries - megatrends in themselves - could and should be swept away and replaced by a giant set of collaborating industries providing "plug and play" components that can be integrated into a single coherent system.

"For example, one project receiving much attention concerns delivery of on-demand, real-time video to the home," points out Mr. Knightson. "There appears to be no connection between this project, however, and other projects aimed at providing videophone service to the home. The consequence will be total duplication of similar but incompatible wiring and equipment screens and set-top boxes for example - if a user wants both services.

Good and bad

This may be good for suppliers, he notes, but it is bad for

"There is a distinct danger that user needs will not be adequately addressed, and technological chaos will pre-vail," Mr. Knightson points out. "We may never again see a global system comparable to universal telephone service in the new information age. The basic telephone service still remains an impressive achievement when you consider the scale and extent of its operation. The ability to achieve the similar capabilities for information services looks doubt-

SPOTLIGHT

AUSTRALIAN MARKET SHOWING STRONG GROWTH POTENTIAL

The country's telecom industry will open to full competition in July 1997.

The spectacular growth of Australia's population, it would be unrealistic for cellular phones market - around 70 percent per year - has demonstrated the country's potential demand for massmarket personal communications services (PCS).

By the end of the century, more than 4.5 million Australians - out of a total population of around 20 million - are expected to be using cellular phones, a service launched in the country in 1987. This is approximately double the current figure and, in terms of market penetration, second only to Scandinavia.

A question of time

According to Reg Coutts, director of the Center for Telecommunications Information Networking in Adelaide, there is now a general expectation in Australia that mass-market PCS are just a question of time. "But, unlike Europe or the United States," Mr. Coutts says, "in Australia PCS is recognized as a service rather than a specific technology or licensing

"While the wireless service attribute of PCS is important, many other service attributes need to be integrated - including the increasingly 'intelligent' fixed network - to meet the demands of an increasingly fragmented service market, which is quite unlike the 'telephony' market of yesteryear. However, the underlying technologies need to become commodity-building blocks to enable such services in a timely and cost-effective way, PCS will, therefore, be realized in a much more market-driven industry

than has been the case in the past." Australian authorities are deeply involved in plotting the future of PCS after the planned introduction of full competition in Australia's telecommunications market in July 1997. Peter Darling, general manager of standards and regulatory strategy in Telstra's Network and Technology Group, says that given its small

Australia to attempt to develop its own unique mobile/PCS system.

Constraints on development

While Australia's mobile systems are moving rapidly to digitalization (analog phase-out is due by January 2000), with consequent radio-frequency spectrum efficiency, it is spectrum availability and the need to conform to international or regional interface standards that will constrain PCS development in Australia.

"A mass market requires cheap, massproduced technology," Mr. Darling says, and this will come only from acceptance of the standards for major global or regional markets. For radio-based services, this mandates the use of the radio spectrum on which the standard is based - which may or may not be available in Australia." He adds that potentially all mobile systems that have been standardized regionally - and, in the future, the internationally standardized FPLMTS (Future Public Land Mobile Telecommunications Systems) - could be used in Australia. It was once considered likely that GSM (Global System for Mobile Communications) and its extension DCS (Digital Cellular System) 1800 could be used for PCS services in Australia with fewer problems. The PCS systems now being standardized for the United States, however, require spectrum allocations not ideally suited to Australia if FPLMTS standards are to be used in the longer term.

Australia's future spectrum access policies are still considered as part of the Australian government's review of the post-1997 competitive industry, being undertaken by its Spectrum Management Authority. The SMA is implementing new apparatus licensing arrangements and has initiated discussions on the future form of spectrum access.

Nigel Hopkins

he my business, minutes and cost millions. 713-555-1234 So I need immediate Θ and confidential communications. Lynn A. Schriber. International F "With wireless going digital we needed a components supplier to take us from incept to volume quickly Bo Hedfors. President and CEO, Ericsson loc

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EXTENDING YOUR REACH



LIVES ON PLASTIC: SMART CARDS GETTING SMARTER

Smart Cards' potential is seen as limitless.

he thin piece of plastic puter files only I can access. that replaces cash can save a life, pay for a life or even illustrate a life on a monitor

Originating in France's Groupe Bull laboratories in the 1970s, Smart Cards differ from "protected memory" phone cards by having a tiny 3K chip microprocessor and memory bank embedded in them. This chip stores and manipulates digitized information, enabling it to serve a wide variety of pur-

Its low cost and ease of use makes it ideal for numerous services. For example, a user can insert a Smart Card into a portable telephone, enter a PIN number and be automatically logged onto the GSM (Global Systems for Mobile Communications) network to make a long-distance call. Some day, the card will enable the use of a cellular telephone anywhere in the world, with payment being deducted from the monetary value stored in the card.

Endless possibilities

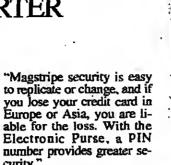
The applications are limit-less. Catherine Allen, chairperson of the U.S. Smart Card Forum, which comprises 200 corporate members, presents this scenario: "Before going to work, I use the card to program the television to block out violent or pornographic channels for my children. I then slot it into my PC and transfer \$100 from my bank account to my card. If I'm using my husband's car, it gives instructions to adjust the mirrors, seat and radio to my liking. At my office, the card clears me through a security door and then unlocks com-

I use it in the soft drink machine and to pay for lunch before heading to the doc-tor's office. I don't have to fill out medical forms because my card contains my health, insurance and emergency procedures informa-tion. If I wanted to travel, I could go to the airport, debit the cost of the flight and automatically be awarded fre-

quent-flier points." Cards are a global phe-nomenon. The German govemment has issued 53 million health identification cards. French banks have distributed 22 million Smart Cards to their customers. Banks in South Africa and China are issuing similar cards. In Bangkok, emergency-room personnel slip the card into a monitor to display the patient's medical history, blood type, medications and other information vital to a quick, accurate di-

Southern U.S. peanut farmers have used Smart Cards for 10 years. They take their peanuts to a weighing station, and the poundage is recorded on the card. More than 60,000 Smart Cards have been issued to students, staff and faculty at the Universities of Michigan and Western Michigan to be used to enter dormitories and pay for purchases, photocopying, vending machines and laundro-mats, U.S. Marines at Paris Island boot camp use Smart Cards to make purchases on

Convenience and security "Our surveys show that consumers are interested primarily in convenience and security," says Ms. Allen, tween business and customer.



It is a rapidly growing in-dustry. In 1994, 420 mil-

lion cards of all types were delivered to 75 countries." says Dan A. Cunningham. president of the U.S. subsidiary of France's Gemplus Card International. In his Smart Card Monthly magazine, Stephen Seidman predicts that the total card market will more than double to 900 million by 1997. "But the basic 85-15 ratio of protected memory [phone cards] to Smart Cards will likely remain the same for the rest of the decade," he

curity.

Future development of the cards will depend on tecb-



Going mobile and on-line.

nology improvements.
"Smart Cards basically follow the semiconductor industry learning curve, so the size of the chip embedded in the card is expected to increase over time," says Mr. Cunningham.

Video and voice on cards Today's Smart Card holds a also record money in the 3K chip, but 8K chip cards currencies needed in another will soon be common. Hitachi has developed a 16K card chip, and within two years will have a 32K chip. business cards containing "The larger chip will let the user's resume or a text-

consumer consolidate all his accounts, putting whatever he wants on the card," says Ms. Allen. "Some companies are looking at video and voice on the card."

In the future, Smart Cards could be our passports, speeding airport immigration procedures. They could

With a capacity of 1,300 words, they could serve as business cards containing

based corporate brochure a client could consult at

"We'll see more and more chips that utilize contactless technology, enabling one to open a security gate or pay at a toll booth without slowing down," says Richard Cusson, director of interna-tional sales for CP8 Transac, a division of Groupe Bull. If you want to do business on the Net, you'll need security, and Smart Cards will be the way to do it."

THE EUROPEAN STANDARD UPDATE

Efforts are under way to make UPT easy to use.

n 1993, the European Telecommunications Standards Institute (ETSI) published a Technical Recommendation (ETRO55) that built on and fleshed out the service requirements outlined in the recommenda-tions of the International Telecommunication Union (ITU) concerning Universal Personal Communications

Considerable work has been done on ETRO55 since, much of it undertaken by ETSI's Technical Com-mittee for Network Architectures, and more specifically Technical Sub-com-minee NA7, which, having completed its tasks, was recently merged with NA6. The latter is responsible for questions on Intelligent Networks (IN) and their role in

The European standards body is intent on making

UPT straightforward to use and safe from illegal access. To this end, a European Technical Standard, adopted by ETSI, was drawn up, known as ETS300391.

Its first phase specifies the issues involved in ease of use and security of communications. The second phase (ETS300477) specifies the use of integrated circuit (IC) eards, which could be built into devices such as a watch or calculator to generate dual-tone, multi-frequency (DTMF) signals so that the user does not have to dial a string of digits each time he or she wishes to update service requirements, such as call forwarding. The signals will occur in a cryptomatic sequence that will be generated at random by the integral algorithm so that it cannot be intercepted and

Annie Turner

INTELLIGENT NETWORKS INCREASING THEIR IQS

Continued from page 9

vices provided by INs include voice mail, broadcast messages to selected customers, a universal number (an individual uses the same phone number countrywide). calling-card verification, incoming-call identification and "900" numbers (they work like toll-free numbers but the caller is charged).

Extension to wireless networks

These services are gradually being extended to wireless networks. Voice mail has become a standard feature of many corporate phone systems. Nissan in Australia used a universal number in a very effective car launch in that country. Calling-card verification is used by companies like AT&T and MCI for their international calling cards, and by stateowned telecom organizations like France Telecom for its Carte France Telecom. Incoming-call identification enables company service representatives to access customer files as they respond to phone calls, improving the speed and quality of service. The "900" numbers increase communication be-

By installing Intelligent Networks, telecom operators can create a "marketing edge," explains Pierre Strasser, IBM's Germany-based director of marketing development for telecommunications and media. If the IN feature is too slow or too complicated, however, the benefit can backfire. He cites research showing that people have a tolerance for up to four telephone options such as those made possible on an IN ("press one for reservations, press two for flight information," etc.). "After that, you lose them," Mr. Strasser says.

Nigel Deighton, research director, networking and telecommunications, for the Gartner Group in France, notes that the telecom operators want INs principally to generate revenue. "They also enable the PTTs to tailor services to their clients and launch new services more quickly," he says. INs are a combination of hardware and software, and they

represent cooperative efforts by computer manufacturers, software developers and telephone operators. Among the major players are Digital Equipment, Hewlett-Packard. IBM, Stratus and Tandem. Equipment suppliers include AT&T, Alcatel, Ericsson, Nortel, and Siemens.

This plethora of players has led to significant problems in

standardization and achieving compatibility among competing systems. There are variations in SCPs (Service Control Points), IPs (Intelligent Peripherals), Mobile Services Platforms, SS7 (Signalling System 7) standards, and connectivity options. The lack of compatibility among telecom systerns slowed the acceptance of INs in Europe in the mid-1980s. By contract, 70 percent of all U.S. telecom operators use the same IN code developed by Bellcore, notes IBM's

Mr. Deighton says that users have "little guarantee that advanced IN services from one operator will integrate seamlessly with those from another." He says that the traditional response - global alliances - may not meet customers' needs. In addition, global alliances rarely cover both mobile and fixed services.

One such alliance that may have overcome the obstacles is Concert, a single-source global networking solution launched jointly by MCI and BT in June 1994. The basis for its many corporate services is a global, advanced IN specifically designed for multinational companies.

Claudia Flisi

Tark



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tracking telecoms

PERSONALIZED SERVICES

JAPAN IS RAPIDLY CATCHING UP WITH U.S. IN COMPUTER SERVICES

Computers are increasingly being used as home command centers in both countries.

In the United States, more and more transactions are taking place by computer. Japan is quickly catching up by adding capacity and capabilities so that users can access the grow-

ing world of computer-based services.

The United States is being swept over by a tidal wave of new Internet services and software offerings, reports Interactive Cootent, a consumer on-line services newsletter. The innovations are almost too numerous to mention, but a few key examples tell the story of America's ongoing information-superhighway revolution.

New services on the World Wide Web, the graphically organized collection of databases, include lots of entertainment options. There is now a site for finding out about new films, show times and locations. And users in some 14 locations can buy tickets on-line.

Corporate Records For those looking for investment information, the Securities



ing speed and processing power of computers is their growing ability to handle the human voice. The Star Trek scenario where computer input and output is by speech is nearly here. Already there are software packages on the market that allow PCs and Macintoshes to read out text in a synthesized voice (text-to-speech) or to take dictation (speech-to-text). Although we are still years away from the Holy Grail of a system that can recognize the full vocabulary of every native speaker of a given language, today's voice processing systems are able to do two lesser tasks extremely well. For a small recognizable vocabulary, speech systems can be "speaker independent," This is useful, for example, in setting up a telephone service in which the user speaks one of a few simple commands, such as "play my messages," or speaks numbers to identify choices from a menu. At the other extreme, "speaker dependent" systems can have extremely large vocabularies, including technical dictionaries for applications like legal work or radiology. The user has to train the system to understand his or her voice, which takes an hour or so. But the system will then recognize over 90 percent of words spoken at normal dictation speed.

Bob Whitehouse

and Exchange Commission maintains free Internet access to a large bibrary of corporate records. The information about a company is passed on to a World Wide Weh site within 24 hours of being received by the SEC. Users wanting immediate information can turn to private companies, which resell corporate records the same day they are filed.

Some U.S. banks and computer firms are working togeth-

er so that consumers can send personal checks over the Internet with the aim of lowering the costs of protecting electronic transactions - now greater than \$100 per transaction.

U.S.-Japan links Many developments link the United States and Japan. U.S.based Yahoo! Corp., for instance, has a directory of Web sites that can be used to find out about business communications with Japanese firms and other topics such as translation software.

The largest commercial-service providers in Japan still do not offer direct connections to the Web, according to Japan's economic daily, The Nikkei Shimbun. But they hope to be able to offer Web connections soon. Trial versions of soft-

ware that will make this happen are now being tested.
Such developments are being fueled by the growing demand for on-line services in Japan. The number of users is now estimated to be at least 3 millioo. Because of tremendous growth in demand, new service providers are entering the market and new phone lines are being installed.

Training needed

Japan also needs to catch up in terms of training. Navigating the Internet is a valuable skill for people looking to promote business, entertain themselves and even save lives.

At the Kobe City University of Foreign Studies, the Internet became a vital communication tool after the earthquake of January 17. Some school staff used the Internet to provide global access to information about the quake, and now many universities in Japan want to make sure they have personnel who can use computers to help others io emergencies.

The Japanese government is promoting such efforts, as well as introducing on-line services that let foreigners study the country's economy, procurement programs and business

It is in the area of telecommunications that Japan's government could be most influential. Services required for Internet connections and charges for using telephooe lines are considered high by international standards. Analysts say these costs could come down in the near future.

Relocating to U.S.

In the meantime, some Japanese computer companies are relocating to the United States. They send their work daily to Japan via the Internet from California and other locations. If the trend cootinues, pressures for quicker and deeper changes in the infrastructure supporting Japan's information highway are sure to follow. Janet Purdy Levaux



wide range of services.

JPT: More Than a Service

Continued from page 9

sonal telecommunications would not only allow the traveling business executive to talk on the phone any time, but they would also allow the rural villager to talk on the phone for the first

A multimedia bundle

Bob Slezak, head of research and development for Boston Technology, says UPT systems must be able to offer a bundle of multimedia personal communications services beyond normal telephony, including voice and fax messaging, uoiversal mailboxes, telephone reminders, pager notification, interactive voice response and, ultimately,

So far, the wireless market is small, but it is growing fast - 1 billion users will be connected to wireless networks by the year 2000, according to an AT&T study - applications become available and prices come down.

Satellite services

While cellular digital packet networks will serve local mobile users, ranging from politicians and plumbers to real-estate agents and actors, the keys to extending those networks and letting them talk to each other from a mobile phone up a wild river io Borneo to a sedate sitting room back home in Brighton are the satellite networks of

the 21st century. London-based Iomarsat, has been the leader in the briefcase-sized satellite phones of recent years, and three U.S. firms - Globalstar, Motorola's Iridium and TRW's Odyssey - are showing the way.

Each of the ventures has its own peculiar advantages and disadvantages, both in technical and marketing terms. Globalstar and Iridi-

offer handheld satellite phone service throughout the world io 1998.

Global standards essential At this point, Iridium is the more costly, with a price tag of as much as \$4 billion. compared with Globalstar's roughly \$2 billion. Iridium has said it will charge \$3 a minute for calls, and Globalstar wants to hold charges to \$1 a minute,

Iridium's technology is aimed, however, at direct mobile-to-mobile communications through satellites, while Globalstar will focus on calls from mobile phones to fixed home and business phones through local ground wires and cellular operators.

Compatibility needed

All the satellite ventures agree that international standards are needed to make sure that all three - and any other future competitors -

and the market promises to um both intend to be the first have a level playing field on cootinue growing as more on the market, beginning to which to defend the billions it takes to put dozens of satellites into orbit.

> "It is more accurate to say that compatibility is needed [more] than standards," points out Milton Mueller, a professor of telecommunications studies at Rutgers University. "Standards implies a single standard, whereas multiple standards can attain various levels of compatibil-

> At any rate, if we are to achieve worldwide, universal, mobile telecommunications, some interesting international problems in spectrum allocation, equipment compatibility and operating and billing agreements remain to be worked out."

The satellite ventures will be closely watching the World Radio Conference, which begins its three-week meeting on spectrum and frequencies later in October

Tim Harper

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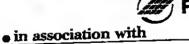


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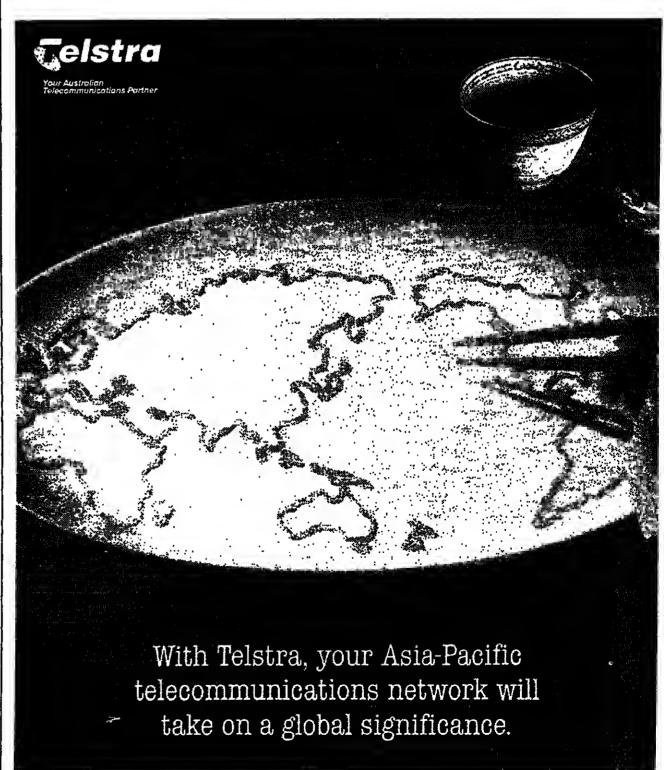
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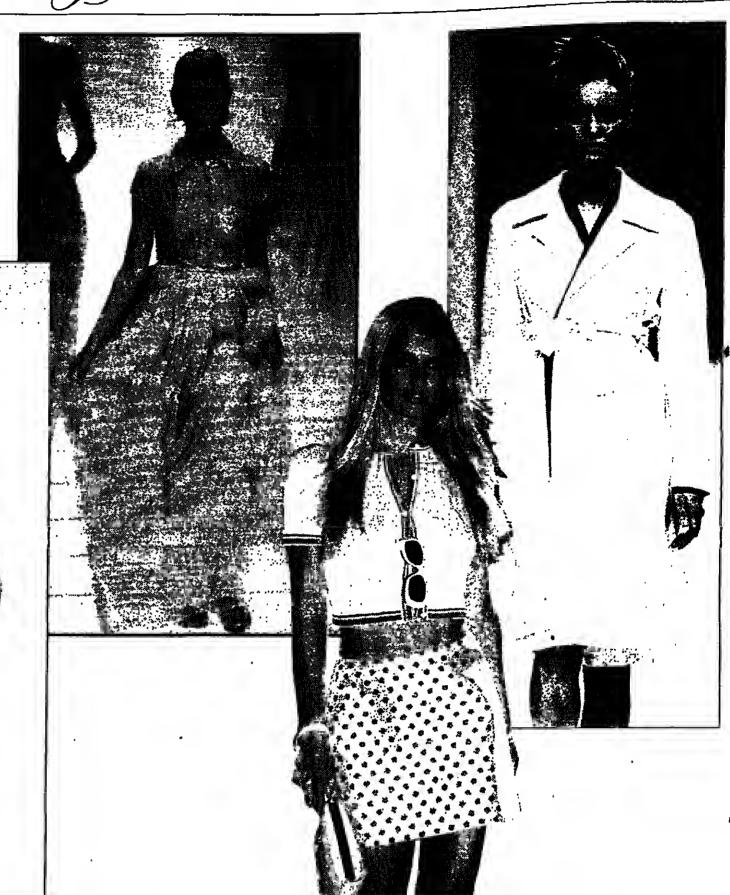


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From left. Gueci's hot pants and python-print purse; Dolce & Gabbana's cowl-neck knit; polo-collared top and gauzy skirt from Emporio Armani; miniskirt and cropped top from Istante by Versace; Jil Sander's high-belted white coat.

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Clueless in Italy: Is the Future Modern or Mod?

dresses in sweet pea colors in the

And in the stark modernism of

duced clothes appropriate to

By Suzy Menkes International Herald Tribune

ILAN — The Italians have found a and designer djellabas. word for their new Clueless. That is meant to refer to the hearted, exuberant passion for

spring/summer 1996 season has den moms in need of a dose of thrown up yet more takes on the Prozac.

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(oh no! not them again!) in stood out: refreshingly pretty cotton piqué or silky, slithery suede tunics, snakeskin boots

Collections trying to be moding Prada's lead, sending out American movie and its light- plain dresses and three-button. Jil Sander, subtly softened in suits and making the bared necks shape and texture. Both proshion. and arms a jewelry-free zone.
But most designers also don't Once the stylists add pallid seem to have a clue how to makeup and messy hair, the sumove fashion fast forward. The permodels look like downtrod-

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TEACHERS

women now. The early message? It is a season for dresses, tunics worn over pants, narrow coats, small weaters, often sleeveless, stiff fabrics and a sprinkling of flow-

Emporio did all that with refreshing charm and a fairytale ending as models in gauzy dresses in sweet pea colors twirled on the runway. The col- designer Tom Ford did not or sense throughout was magical as soft celadon green, shell pink or a brush stroke of rose

that started only with beige, navy and white. Although there were highrise pants, the show targeted dresses from knit through voile. Armani's light touch came too in iridescent fabrics used for curvy jackets and in the delicate

print was introduced to a palette

mother-of-pearl jewelry. Coats cut from fragile shoulders with a soft empire sash made a fine opening to Jil Sander's show Monday. They made sense of the fashion shift out the uniquitous A-line dress to dresses, giving hers little in bright snedes and using

clearly focused and realistic col-lection of Emporio Armani — Pantsuits kept to the straight and narrow, but to feminize ern rather than mod, are follow- Giorgio Armani's second line. minimalist lines, Sander focused on fabrics, using sup-

MILAN FASHION

ple white leather for tunic tops or iridescent pearl gray. Even if there were echoes of other designers in the layered net evening outfits, Sander made a strong showing.

Of the designers making hippies hip, Gucci's show was the most fun, with its caftans brief over bare legs, or long and sheer. But with this collection, seem to be moving forward or to be creating new Gucci classics — unless you include cool takes on pinstripes and his bestselling hipster pants — now with psychedelic patterns to go with colorful crocodile print

He said that his credo was 'remix not retro." But on the snakeskin boots, squishy monkey-style fur bags and thong sandals seemed more substantial than the clothes.

Clean, clear and simple was the story from Ferragamo, set an agenda of graphic black where designer Steven Slowik and white and simple lines that took the current trends up a never looked retro. Sander notch to luxury level by sending Fashion minimalism scores Kennedy-style shifts. At faultless and simple knits are ange, turquoise or black and classy. And when Ferragamo did decoration, each shoe print entwined with daisies was in

goldfish pond — was thrown for supermodel Linda Evangelista (she just turned 30) by de-signers Stefano Gabbana and Domenico Dolce. They must have put all their energies into decorating the dinner and doing up their ritzy new headquarters for their show was a bore. Sure it was nicely made, commercial, with elegant suede tailor-ing and simple knits in Friar Tuck brown (monk's cowl included on some sweaters and

should have been culled.

The racing stripe inserts, geometric dresses and zipper details at Istante, by Gianni Ver-He likes the mod side of the swingy chiffon pleated skirts. 1960s and if you (still) want them, skinny rih sweaters and A-line skirts were cute. Versace for Gilmar. Anna Sui's sechas a way with prints and Istante had flowery swimwear and a pretty version of a rosebud pattern, first seen last season at Prada, and now sprouting all over Milan.

It seems to be a season for flowers. Laura Biagiotti scattered them on her pale and luxurious cashmere dresses and embroidered colored buds on wool coats or organdy dresses. The daisy that was the signature of André Courrèges and Mary Quant in the 1960s was a motif

graphic Op Art of the swinging Against this uninspiring sleeves, reasonable hemlines patent leather as a shiny foil to es. Sportmax had daisies like 1960s (groan!); and rich hippies background, the good shows and using either full-bodied the silky sleeveless sweater. cut-out doilies on Jackie when geometric tailoring is Callaghan, piqué dresses in orwhite announced that designer Scott Crolla was trawling the 1960s.

the house spirit.

Oh those wretched 1960s!

An exotic party — all crimson velvet tent and illuminated mod — all checkered Op Art squares, hipster pants and bared midriffs. Max Mara made something of the 1960s (and owed a deht to Prada) with boxy tumics over slender pants (a wearable look) or the painstakingly plain three-button suit.

PART from a bright opening of neoprene. swimsuits with fluorescent flashes on black, Fendi's show was an indeterminate mix of boxy jackdresses). But the show lacked any creative spark. And the seen-them-before animal prints found a silver lining in the shiny dresses that opened and closed the show. Since the roots of the house are in knitwear, Krizia sace, looked like a makeover of scored with its black lacy tops runway, funky accessories like his couture line shown in July. and silky sweaters shown with

Two American designers came up with lively young lines ondary line pinioned the season's little dress in a bright butterfly print on piqué. The crisp little dresses, piqué suits and polo-shirt dresses in candy pink or mint green colors by Marc Jacobs looked adorable on a lineup of timid teenage girls.

Valentino went Clueless. Inspired by the movie, he sent out in his Oliver line cutie-pie dresses, meringue stiff in waffle piqué, all very short, pink, white and sugar sweet. For once, it wasn't a 1960s revival - just a for Lawrence Steele who ap-pliquéd daisies on A-line dress-be lighthearted and fun. reminder that fashion can still

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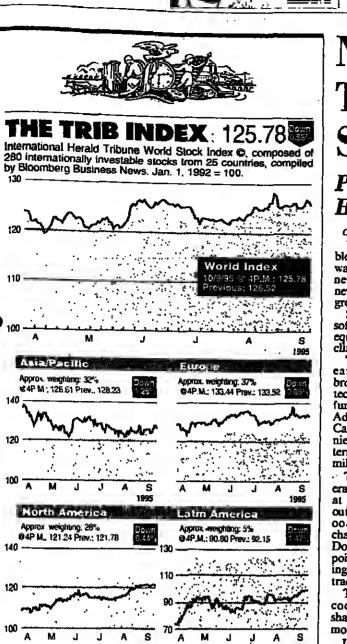
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Novell **Triggers** Sell-Off

Profit Warning Hits Tech Stocks

Compiled by Our Staff From Dispatches NEW YORK - Stocks tumbled Monday after a profit warning from Novell and bad news from other companies renewed concern that earnings growth is slowing.

Semiconductor, computer, software and communications-equipment stocks led the de-cline.

"You're starting to see the earnings disappointments broaden to makers of hightech goods, said Peter Keane, a fund manager for Sovereign Advisors in Charlotte, North-Carolina. Technology compa-nies are supposed to have uninterrupted success into the next

The Dow Jones industrial average closed 42.99 points lower, at 4,726.22. Declining issues outnumbered advancing ones on the New York Stock Exchange by a 3-to-1 ratio. The Dow had fallen by more than 50 points early in the day, triggering limits on computer-related

The Nasdaq index, whieb cootaios many technology shares, plunged 26.07 points, or more than 2 percent, to 985.96.

In the broad market, the Standard & Poor's 500 index fell 4.11 points, to 578.38. Trad-Columbus Day boliday elosed vices by January or face legal banks and the Treasury bond aetion, commission officials

Investors have seen 10 straight quarters of belter-thanexpected earnings. But since International Business Machines warned investors of disappointing earnings on Sept. 13, more than 90 other companies bave said their profits would fall short of expectations. Novell, the second-largest

See STOCKS, Page 16

A Dead Line for the Poor Nations' Technological Divide Expanding

By Mark Landler New York Times Service

GENEVA - Visitors can hardly miss the therie of Telecom 95. The slogan "Conoect!" appears on everything here at the quadrennial meeting of the international telecommunications industry. But in the view of some skeptics, a better slogan might

Although more than 50 countries constructed elaborate national pavilions to illustrate the explosive growth of their telecommunications industries, the poorest na-tions of the world are clearly not sharing in the wealth. According to a study by the

International Telecommunication Union, which is sponsoring the convention, the poorest 48 countries are fall-ing even further behind developed nations in the growth of telecommunications infra-

"The present reality is that the technology gap between developed and developing nations is actually widening.

President Nelson Mandela of South Africa told the gathering's opening ceremony.
"Most of the world bas no experience of what readily ac-

Michael T. Masio, vice chairman of GTE Corp., de-

cessible communications can

do for society and the econo-



in a speech as a "liberation technology." But be conced-ed that some major regions of world, notably Africa, had not becefited from its emancipating influence. The International Telecom-

municatioo Union has organized a new development fund called Worldtel that aims to help poor countries build rudimentary telephone networks.

Pekka Tarjanne, the secretary-general of the United Nations agency, said World-tel hoped to raise \$500 mil-lion from public and private sources in the next year.

"These are countries that need help to pull themselves out of their misery," be said.

But some countries may be beyond belp, at least for oow. Bert de Graeve, a vice presi-dent of Alcatel Trade Interoational, a division of Alcatel Alsthorn, the French telecommunications giant that specializes in hringing phone service to developing countries, said companies had little in-centive to invest in Africa because of political instability on much of the continent and a dearth of investors willing to share the risk of huilding networks there.

A consortium of officers at multinational companies is seeking to persuade major phone companies that it is more important to offer dependable phone service in more remote locations like Nairobi or Kiev than it is to offer high-speed data-transmission services between New York and London.

Battles Cable-TV Curbs

BRUSSELS -- The European Commission will tell member states they must allow cable ing volume slowed oo most television companies to offer stock exchanges because the some telecommunication ser-

> said Monday. The EU executive will invoke special powers Wednesday under Article 90 of the Treaty of Rome that allow it to force open national monopolies that impede development of an industry,

The move is part of a wider commission initiative aimed at increasing telecommunications competition. The commission calculates that phone calls cost as much as 10 times more in the

EU than in the United States. June - and then only for such The directive on the agenda of Wednesday's weekly com-mission meeting would allow cable television companies to offer all types of telecommunications services, except voice telephone service, by January. Cable television companies, and other nontelecommunications companies, may only offer

phooe services in 1998. increasing frustration with the slow pace of opening national markets, Germany and France, the two biggest EU economies, have said they will not allow new entrants into their telecommunications markets until next

basic services as data transfer. The commission bas already used Article 90 to inject compe-

tition in the mobile phooe in-dustry and has threatened to block a joint venture between France Telecom and Deutsche Telekom unless the German and French markets are opened.

use Article 90 powers reflects its vision companies to offer telecommunications services.

Telewest PLC, Britain's largest cahle-televisioo company, said telecommunications customers rose 83 percent in the second quarter, compared with a 14-percent increase in television.

RTZ and CRA Plan to Create **A Mining Giant**

By Erik Ipsen International Herald Tribune

LONDON - RTZ Corp. on Monday said it would merge with its 49 percent-owned affiliate CRA Ltd., a deal that will improve the finances of the world's biggest miner and posi-tion it for expansion.

"In one step they have created one of the best halance sbeets in the world for acquisitions." said Emil Morfett, an analyst with Paribas Capital Markets. "They will be able to huy any asset that comes up."

Better yet, from RTZ's point of view, is the price of that large leap forward. By merging with CRA rather than acquiring it outright, RTZ has neatly skirted the necessity of having to come up with any cash.

RTZ, which is based in London, already is the world's largest mining company, and CRA is the biggest one in Australia. The combined company would have a market value of £13 billion (\$20.56 billion).

Combined, the two companies would bave bad 1994 sales of £5.7 billion, with pretax profof £1.15 billion.

This deal puts them clearly in the forefroot as the mining company you want to talk to if you are a country wanting to develop your mineral re-sources," said Andrew Darke, an analyst with Williams de Broe PLC. "Their expertise will hooe services in 1998.

Britain is the only nation to now cover most minerals and have already allowed cable telemost regions."

> Stock in RTZ fell 6 pence, to 915, in a declining Loodoo market, while in Sydney, shares in CRA closed uochaoged, at 20.12 Australiao dollars (\$15,29).

Robert Wilson, RTZ's chief executive, said the uousual structure of the transaction would eliminate the oeed to pay a "premium to eliminate one set of shareholders." He also noted that by avoiding a takeover, CRA sharebolders would be spared the huge capital-gains tax that would bave resulted from a cash purchase.

When asked about the complexity of the proposed dualnational structure of the new company, Mr. Wilsoo conceded that Royal Dutch/Shell Group and Unilever Group, two Brit-

RTZ will effectively own 76 The headquarters will be in London, and Mr. Wilson will be heavily centered in the Eastern chief executive if the deal wins Hemisphere, where most of its the necessary sharebolder and regulatory approvals.

TSB Talking Over Merger With Lloyds

LONDON — Lloyds Bank PLC said Monday that it was in talks with TSB Group PLC about a consoli-dation that would create Britain's largest retail bank, with assets of £150 hillion (\$237.23 billion).

A joint statement from the two companies said that Lloyds shareholders would own 70 percent of the oew bank, to be known as Lloyds TSB Group PLC. TSB sharebolders would own the rest.

TSB sbares surged on the oews, closing up 80 pence at 354 peoce. Lloyds shares rose 23 pence, to 725 pence.
"It makes sense strategi-

cally and looks like a very good deal for TSB's sbareholders," said David Raye, a banking analyst at BBN James Capel. The group will be able to rationalize branches and cut costs
while taking capacity out of
the banking sector."

Other analysts said head
office, back-room and techcology costs would offer

the greatest savings.

Sources close to the talks said that the Lloyds chief executive, Sir Brian Pitman, would remain in that office and that the chairman of the oew company would be Sir Robin Ibbs, currently chair-

man at Lloyds,
The chairman of TSB, Sir
Nicholas Goodison, would
be one of two deputy chairmen, while Chief Executive
Peter Ellwood would become deputy chief executive charged with integrating the retail banking businesses.

Analysts suggested that a key near-term attraction for RTZ in the proposed merger is access to! CRA's immense cash flow. "As a shareholder, they are now just getting dividends from CRA." said Roger Chaplin, an analyst-with T. Hoare & Co. "Their sbare of CRA's carnings last year was \$139 million, but they. received dividends of only \$84)

Both companies will benefit from a broader mix of minerals mined, and the wider geographical spread of their operations. RTZ relies heavily on the Westpercent of the combined group. ern Hemisphere, where it mines earnings derive from iron ore and aluminum.

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Focus on 'Next Mexico' Is Misguided

By Reginald Dale International Herald Tribune

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TASHINGTON - The international financial establishnient has now spent the best part of a year wrestling with how to avert, or failing that, to manage another Mexican-style financial crisis. It is in danger of both fighting the last war and sending the wrong signals. Not only is it highly unlikely there will be an exact repetition of the crisis that

struck Mexico last December: there is also an increasingly broad consensus that Mexico's traumatic experience may actually have been a good thing.

That, of course, has not stopped the

great hureaucratic and academic juggermut that has been churning out proposals for new mechanisms and procedures - and more money - for dealing with future Mexicos, ft is rolling remorselessly forward at the annual meeting of the International Monetary Fund and the World Bank in Washington this week.

But the climate has dramatically changed. Many of the same people who once warned that the Mexico crisis risked disrupting the global financial system now say it was a welcome wake-up call that is having beneficial effects on policy-making in other developing countries, not to mention Mexico itself.

Mexico still has a long way to go to full recovery, but its turnaround has been far quicker than almost anyone expected. If it stays on track, says Michel Camdessus, the IMFs managing director, "Mexico

should emerge from the crisis stronger than before. And, warned by Mexico's example, other developing countries are horrowing less, tightening up economic policies and accelerating much-needed

J. Mark Mobius, president of Templeton Emerging Markets Fund, told a World Bank seminar over the weekend

The Mexico crisis is unlikely to be repeated; trying to prevent a recurrence is like fighting the last war again.

he was investing far more in Mexican stocks than before the crisis, which, like other investors, he saw not as a threat but as an opportunity.

That may be cold comfort to most Mexicans, buffeted by drastic recession and falling real wages. But their sacrifice has not gone unnoticed. The fact that the right lessons are being learned, says Law-rence H. Summers, U.S. deputy secretary of the Treasury, "is good news for the hillions of human beings whose lives will improve as their countries enter the glob-

Of course, Mr. Summers's enthusiasm is designed partly to show that the United States was right to lead a huge international bailout of Mexico this year.

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But the United States is unlikely to do the same for any other country; Mexico's integration into the U.S. ecooomy is unmatched anywhere else in the developing world. And Germany is making it clear that even if the IMF's resources are increased to deal with emergencies, as planned, it will not allow similar bailouts in the future.

Rather than being the first crisis of the 21st century, as Mr. Summers claims. Mexico's was more like the last of the 20th. There may be other crises, but "I don't see the Mexican crisis repeating itself," says Ernst-Montz Lipp of Germany's Dresdner Bank.

Increasingly, developing countries realize that there is simply no alternative to the private market to raise the funds they need, and that means accepting market discipline before, not after, a crisis

Some good ideas — plans for im-proved disclosure of economic data and closer IMF surveillance - are emerging from the policy juggernaut. But the bad ideas — such as capital controls or new international bankruptcy mechanisms, which only postpone the day of reckoning — must be resisted. So must any impression that there will be new pools of money waiting around to save governments and investors from their own mis-

The Mexico crisis may have produced a salutary shock. But one is enough. The aim should now be to avert crises, not to

Gemina Shares Suspended, Merger Is on Shaky Ground

MILAN - Gemina SpA's plan to create Italy's second-largest industrial company was dealt another blow Monday as a market regulator ordered a halt to trading in its stock.

The Milan Stock Exchange regulator Consob suspended Geminu shares "indefinitely" as the Milan district attorney's office stepped up its investigation into possible fraud at the conglomerate controlled by Fiat SpA's Agnelli family and the merchant

and controlled by Fiat SpA's Agnelli family and the merchant hank Mediobanca SpA.

The district attorney's investigating team sent police on Monday to search the offices of Coopers & Lybrand and Arthur Andersen & Co., the accounting firms that audited Gemina's financial statements for the past two years.

Italian investigators are trying to determine whether the company's top executives falsified balance sheets to hide billions of lire quarters staff.

in losses over the past year. The losses began to emerge unexpectedly from the company's accounts in the second half of 1994.

"The investigation is the oatural consequence of the state of disorder in the company's finances that was evident from this spring until the present," said Carlo Maria Mascheroni, a fund manager at Futuro & Finanza SpA, which owns about 2 percent of

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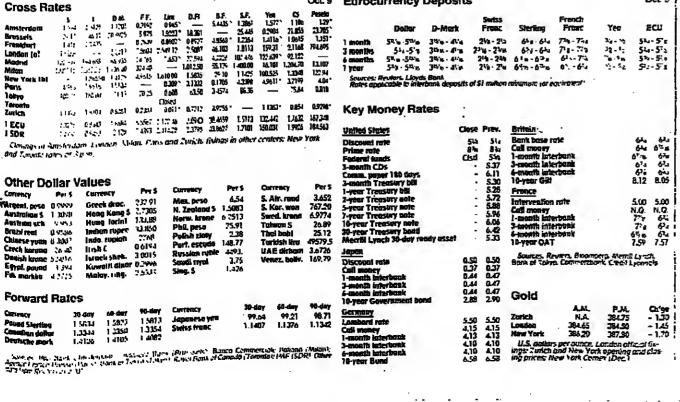
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Backers Bank on Cut in Gains Tax

By Clay Chandler Washington Past Service

WASHINGTON - When the Senate Finance Committee considers a plan to cut the tax rate on capital gains this week. Democrats may cry foul. But supporters already are counting the proposal as money in the bank.

"If you're an investor in comities, there's a good chance that the IRS could soon be claiming a smaller chunk of your gains, says a promotional booklet distributed by the brokerage concern Smith Barney Inc. to more than 35,000 clients in the past month.

Though Republicans have been clamoring for a capital gains tax cut for nearly a decade, "1995 may finally prove to be the year for making the proposal a reality," the booklet says.

"We're very optimistic" that Congress and the White House will agree on a capital gains tax cut as part of a 1996 budget accord, said Bruce Thompson, director of government relations at the Washington office of Merrill Lynch & Co.

capital gains — profit from sales of stock, property and other assets — could be a boon to millions of investors who have seen their net worth soar with the stock market's rise. David Hale, chief economist at Kemper Financial Services Inc., estimates that there are well over 12 million-U.S. bouseholds with equity portfolios in

excess of \$100,000. The proposal to be taken up by the Senate Finance Committee this week would exclude from taxable income half of all capital gains made after Jan. I, 1995. It would scrap the current maximum capital gains tax rate of 28 percent and replace it with an effective top rate of 19.8 percent balf the top marginal income tax rate of 39.6 percent.

Newt Gingrich, the speaker of the House of Representatives, has described tax cuts as the "crown jewel" of the "Contract With America" on which Mr. Gingrich and other Republicans campaigned for office in 1994. For many of the newer Republicans in the House, the capital gains proposal is that jewel's brightest facet.

products in the transportation industry.

acquisition in January. Cressona share-

bolders have already approved the buyout.

implementing our strategie plan, which is

intended to make Alumax one of the stron-

gest, most efficient aluminum producers in

the world," said Allen Born, chairman and

gress since we became independent at the

"We have made very significant pro-

chief executive of Alumax.

Alumax said it expected to complete the .

This acquisition is a major milestone in

support of the majority leader, Bob Dole. The last influential Republican opponent, Bob Packwood of Oregon, has been replaced as chairman of the Finance Committee by one of the idea's earliest champions, William V. Roth Jr. of Delaware.

President Bill Clinton, who has criticized many elements of the Republican budget package as handing new benefits to the rich when the incomes of working-class and middle-class Americans have stagnated, has held his fire on the capital gains tax cut, even though few Americans making less than \$100,000 a year would benefit from it.

Supporters and critics alike attribute this to concessions made in the budget package to favorite Clinton programs such as national service and job training.

The administration will look at the total reconciliation package," predicted Robert Shapiro, who follows federal tax. legislation for the accounting firm of Price Waterhouse. "The capital-gains piece of it will not be the deal-breaker."

end of 1993 and expect to continue to

Cressona, based in Cressona, Pennsyl-

vania, manufactures products from ex-

truded rod and structural and seamless

pipe and tube. It has annual revenues of

Alumax, which was spun off two years

ago by Amax Inc., has annual revenue of

more than \$2.8 billion and produces and

markets primary aluminum ingot, among other products. (Bloomberg, Knight-Ridder)

over \$400 million and 1,500 employees.

strengthen the company.

STOCKS: Profit Fears Spark Fall

Continued from Page 15

personal-computer software company after Microsoft, said it expected its fourth-quarter earnings to come in more than 40 percent below market estiites. Sales were hindered by a lack of software offerings that run on Microsoft's Windows 95 operating system, the company said. Novell shares fell 244 to

Sales of Novell's WordPerfect and other business programs could fall as much as 56

U.S. Stocks

percent in the fourth quarter because the company will not begin shipping programs for Windows 95 until early in 1996, the company said.
"The stock is in big trouble,"

said Peter Rogers, an analyst at Bear Steams & Co. "The market for applications isn't growing, and they have a huge mar-ket share disadvantage against

After the market closed Fri-day, BMC Software said it expected its second-quarter net income to fall 12 percent short of analysts' projections. The company said product transi-tions and the long European summer holiday took a toll on revenue. BMC stock fell sharply

on Friday and Monday. "We're starting to see some individual companies report disappointing earnings, and that's damaging the psyche of the market," said Gary Nuss-baum, a fund manager for Peregrine Capital Management in Minneapolis.

Other companies whose stocks plunged because of prof-it warnings or disappointing results included Performance Systems International, Scientifio-Atlanta, Pacific Rehabilitation & Sports Medicine, Duracraft and Open Environment.

DSC Communications fell after it said Friday that revenue and profit would not match es-

"The market is going into a transformation to a slowergrowth environment, which is natural after a couple of years of very fast earnings growth," Mr. Nussbaum said, "That's only natural, but it's never very smooth."

The bad news in technology carnings sparked a sell-off across the market, said Michael Lyons, a trader at Dean Witter teynolds.

But Michael LaTronica, an analyst at Gruntal Securities, said the broad self-off was over-

124.50 100 22.30 44.60 31.90 24.60 72.60 72.60 72.60 72.60 72.60 72.60 72.60 72.60

done. The earnings problems are "company-specific," he said, and not indicative of a

widespread problem. Stock in Dell Computer fell after the company's board approved a 2-for-1 stock split in the form of a 100 percent divi-

dend payable Oct. 27. Warner-Lambert shares dropped after an analyst at Smith Barney cut her rating on the pharmaceutical company's

Stock. America Online stock fell after a magazine reported that the company's aggressive accounting methods may force it to write down certain assets if its subscriber numbers begin to

American depositary receipts representing shares in Cadbury Schweppes PLC rose after a British newspaper reported that the British-Dutch conglomerate Royal Dutch/Shell was considering a takeover bid for the maker of candy and soft drinks. (Bloomberg, AP)

GE Acquiring Parts of Firm In Germany

FRANKFURT -- General Electric Co. said Monday that it was acquiring parts of a major German company in its largest takeover in the country, but it

would not name the target. The company described the acquisition as "essential parts of one of the most traditional and one of the most highly regarded German companies," with business volume of \$100 million to \$1 billion.

"It's a top acquisition." said Rudolf Beyenburg, a spokesman for GE Deutschland. He declined

to give any further details.
The purchase came as the company's Erie, Penn-sylvania-based Transportation Systems unit was planning to lay off as many as 1,500 workers, or 26 percent of its work force, over the next six to nine months.

The cuts at the locomodown in orders.

tive maker reflected a slow-GE Transportation had been one of the company's fastest-growing units, ana-

lysts said.

Alumax Will Buy Cressona Aluminum

Alımax said.

Compiled by Our Staff From Despatche Very briefly: NORCROSS, Georgia - Alumax Inc., one of the largest U.S. aluminum produc-**Bidders Surface for Smith Corona** ers, said Mooday it agreed to buy privately beld Cressona Aluminum Co. for about

NEW CANAAN, Connecticut (Bloomberg) - Smith Corona \$430 million Corp. said Monday that its solicitations to be acquired had Alumax, based in Norcross, Georgia, brought offers from other companies.

The 100-year-old maker of typewriters, which filed for bankaid it also would assume or retire about \$70 million in debt owed by Cressona.

ruptcy protection in July, said it hoped soon to reach a definitive agreement to be acquired that then would be subject to a higher Alumax said it expected the acquisition to raise earnings in the first year of combined operations and increase Alumax's share of the growing market for aluminum

and better offer as well as court approval, The Connecticut company said oone of the proposals included full payment of creditors' claims. Commonwealth Edison Co. plans to cut 2,000 to 3,000 jobs, or up

to 16 percent of its work force, to improve competitiveness. The energy provider for 8 million customers in northern Illinois said all its employees would be eligible for buyouts. Many of the cuts will be among union jobs at coal- and oil-burning power plants. • Intel Corp. bas formed an "informal" association with 17 computer manufacturers and distributors from the former Soviet Union to research the market there in computers for private and small-business use. Paul Otellini, Intel's vice president, said government figures show I million small businesses in Russia alooc.

Weekend Box Office

LOS ANGELES - "Seven" dominated the U.S. box office over the weekend with a gross of \$10.5 million. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

1. "Seven"	(New Line Cinema)	\$10.5 million
2."Assussina"	(Warner Bros.)	194 million
. 3 "Dead Presidents"	(Hollywood Picturas)	S7.2 million
4, "To Die Far"	(Columbia Pictures)	Só.5 million
1. "How to Make an American Quit	r (Universal)	nalitim et
5. "The Big Green"	(Watt Disney)	34 million
"Devil in a Blue Dress"	ITn Star)	\$3.1 million
& "Halloween! The Curse of Micha	el	
'Avers"	(Dimension)	\$2.4 million
9 To Word Foo"	(Universal)	ST. A million
C. Showgirts	(Metro-Goldwyll-Mayer)	\$1.7H_million
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Dollar Slips as Traders Test G-7 Resolve

NEW YORK - The dollar slipped Monday as traders tested whether the Group of Seven leading industrialized na-tions would back its defense of the curren-AP. AFX cy with dollar purchases.

Compiled by Our Staff From Dispatche

After a meeting Saturday in Washington, G-7 finance ministers and central bank chiefs said they would "welcome a cootionatioo" of the dollar's recovery from lows earlier this year, pledging "to cooper-ate closely in exchange markets," "There was disappointment that the G-7

communiqué was vague," said Earl Johnson of Montreal/Harris Bank in Chicago. "If there is no ceotral bank intervention. the dollar is vulnerable." In late trading, the dollar was at 1.4125

Deutsche marks, down from 1.4218 DM on Friday, and at 100.525 yen, down from 100,55 yen. "further once activity resumed at full pace

High Law Clase Pres

Against other major currencies, the dol-lar slipped to 1.1425 Swiss francs from 1.1450 francs and to 4.9615 French francs from 4.9955 francs. The British pound rose to \$1.5855 from \$1.5830.

There was little sign of central bank activity in the currency markets Monday, analysts said. The Columbus Day bank

Foreign Exchange

boliday kept most U.S. currency traders out of the market, and the Federal Reserve

Many traders said they expected trading to be tentative again Tuesday because Jap-anese banks will be closed for Sports and Health Day.

But they predicted the dollar would fall

unless there was coordinated purchases of the currency by the U.S., German and Japanese central banks. "If we're here on Wednesday and we

still haven't seen any concerted central bank intervention," said Steve Hannah of IBJ International in London, "then you should get more significant downward pressure developing on the dollar."

But some traders predicted that central bankers would not move unless the dollar fell precipitously.

"I don't think they're overly concerned that the dollar is too weak," said Bob Gruber of Chemical Bank, Unless the dollar is in real trouble, he added, "f think they will save their ammunition.

The threat of central banks is more powerful than actual intervention," he (Bloomberg, Reuters)

-- WORLD STOCK MARKETS

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Markets Closed

Canadian stock markets were closed Monday for a holiday.

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Consortium to Use 2 Oil Pipelines in **Turkey and Russia**

Compiled by Our Staff From Dispatches BAKU, Azerbaijan — A Western-led international con- man at the U.S. Embassy in sortium npted Monday to Baku. pump oil from Azerbaijani "Tu fields in the Caspian Sea via decision twn rival pipeline routes, one through southern Russia and the other through Georgia and Turkey.

The decision settled a fierce tug-of-war over routes that involved a telephone call by President Bill Clinton to President Heydar A. Aliyev of Azerbai-

"The coosortium decided that there will be two routes — through Russia and Georgia," said Ilham Aliyev, the vice president of the Azerbaijani state oil Company SOCAR.

Mr. Aliyev, a soo of the president, said the oil from three oilfields would be pumped through both pipelines simultaneously. But he added that the first 5 million metric tons (35 millinn barrels) would be pumped through the Russian pipeline to the Black Sea port of Novorossiysk.

Although the Russian route will carry most of early production, both sides hailed the an-

nouncement as a victory.

"Everybody wins," said Steve Remp, chairman of Ramco Energy PLC of Britain, a member nf the 11-member consortium that plans to develop the Azerbaijani offshore reserves. "We

think both routes are viable." "The American government

backed multiple pipelines," said Richard Brown, a spokes-

"Turkey is happy with the decision," said Vural Atay, first secretary at the Turkish Embassy in Baku. "We think it will be a good way to build cooperatino in the region."

"Turkey was opposed to the Russian option," the president of the Russian enterprise Lukoil, Vagid Alekperov, said, "but common sense and economic factors convinced the consortium that the Russian route makes the most sense economi-

Initial production, expected oext summer, will total about 11,000 trus a day. Daily pro-duction should reach 100,000 tons by 2000. Both routes traverse some

hazardnus geopolitical terrain. The Russian pipeline, which already exists, crosses the war-torn republic of Chechnya. The the upgrade of an existing pipe- AG, creating one of the biggest line, crosses Georgia.

The consortium, the Azerbaijao Internatinoal Operating Co., is made up of Luknil; the American companies Amoco Corp., Exxon Corp., McDermott International Inc., Penn-zoil Co. and Unocal Corp.; British Petroleum Cn. and Ramco; Statoil of Nurway, Turkish Petroleum and DNKL Oil of Saudi Arabia.

Statoil Spurs a Higher Aran Bid

DUBLIN - Atlantic Richfield Co. raised its bid Monday for the Irish oil company Aran Energy PLC by 13 percent, to 178 million punts (\$287 million), after Statoil A/S of Norway said it was holding talks that could result in a competing offer for the company.

Aran, which has fought the hostile bid by Los Angeles-based Arco, promptly told shareholders to reject Arco's revised offer, maintaining it still undervalued

Aran said last week that a study it had commissioned from an independent pe-troleum consultant had valued its assets at 104 Irish pence a share, compared with 68 pence in the revised Arco offer. Aran's shares traded in London closed

at 73.5 pence (\$1.16), up 0.75, on volume more than double the average daily share volume over the past three months. The Oct. 23.

shares were trading in the low 40s before Arco made its initial bid Ang. 21. Statoil said it had reviewed Aran's books over the weekend and was "encouraged" by its findings.

The company did not say when it might make an offer.

It will be in a few days, but we can't

say how many days," said Lars Gunnar Dahle, Statoil's public affairs manager. This new bid gives us just some more information for our continued evaluation concerning our offer."

cial resources to raise the bidding fur-ther, and analysts said Aran would be a good fit for either company.

Aran recently announced a proposed joint venture with Statoil to develop the

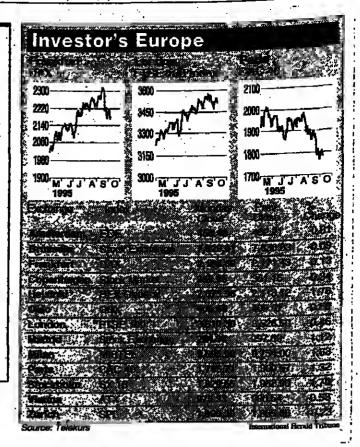
Both Arco and Statoil have the finan-

Connemara oil field west of Ireland. Its shareholders will vote on the venture on Arco has said that if Aran shareholders vote to go ahead with the project, it will drop its offer price to 66 Irish pence a share because the arrangement would transfer value from Aran shareholders to

Statoil denied that it was planning a bid for Aran just to secure the Connema-

"This is an independent bid, and as far as Connemara is concerned, we are bidding for the other half," Mr. Dahle said.

The key issue behind the bid, though, is Aran's 17 percent stake in the Schie-hallion oil field, thought to be one of the richest untapped regions in the so-called Atlantic Margin area west of Scotland's Shetland islands. Arco, the seventh-larg-est American oil company, wants the field to supplement its dwindling reserves at Prudhoe Bay in Alaska.



Metro Seeks Merger With Kaufhof and ASKO

DUSSELDORF - Metro of Switzerland said it planned to merge its German activities with the retailers Kaufhof AG Turkish line, which will require and ASKO Deutsche Kaufhans

> store groups in Europe...
> The merger would entail changing the name of Kaufhof, one of the shares in the DAX index of 30 most-active German shares, to Metro Handels Holding AG.

Analysts estimated that the merged group, including Met-ro's Cash-and-Carry unit in troleum and DNKL Germany, could have annual sales of 60 billion deutsche (AFP, AP, Reuters) marks (\$42 billion).

"Through this bundling of resources, a retail and service-ori-ented concern will be created that will be able to weather the increasing competition," Metro

is owned by Haniel AG, which is controlled by the Haniel family

of Duisburg, Germany.

Metrn said Kaufhnf and ASKO would continue to have "a high degree of operating in-

The Metro group, which already has majority stakes in both
Kaufhof and ASKO, said the
merger would help cut adminismerger would help cut adminis
Kaufhof had 1094 exchanged on the basis of an

Kaufhof had 1094 exchanged on the basis of an trative costs and fight retail com- evaluation by accountants. petition more efficiently. Metro

"It's awfully hard to evaluate until the final accountants' report is available," said Peter Ruthenaicher, a retailing analyst at Bayerische Vereinsbank AG. "This is very surprising."

Karsten Rahlf, an analyst for Vereins- & Westbank AG, said the merger with less-profitable ASKO could lower the price of Kaufhof stock. It might mean higher dividends for ASKO stockholders, he said.

In any event, Metro is the "clear winner," he said.

ASKO shareholders would because they will be able to use receive shares in the new Metro ASKO's losses to lower their

Kaufhof had 1994 sales of 22 billion DM while ASKO had sales of 18.9 billion DM. Analysts estimate the sales of Cashand-Carry stores, wholesale outlets that cater to retailers, at 15 billion to 20 billion DM.

The merger requires approval from the supervisory boards of Kanfhof and ASKO, Metrn said. With Metro holding majorities in both companies, the approval is considered a formality.

Shares of Kaufhof and ASKO were suspended from trading on Monday pending the Helmut Kuehlein, a trader for ABN Amro Bank (Deutsch-land) GmbH, said the move DM, down 8.50. ASKO shares "could be positive for Metro closed at 860 DM, down 10.

Very briefly:

 Zürcher Kantoualbank posted an operating loss of 74 million
 Swiss francs (\$64.4 million) in 1994 because of problems with bad loans; the Federal Banking Commission has asked the canton-controlled bank to reorganize its risk-management strategy.

 South Africa's gold and foreign-currency reserves dropped for the fourth consecutive month in September, reserves fell I percent from August, to 11.79 billion rand (\$3.22 billion).

• Italy will soon set the date for the public offering of shares in the state-run energy conglomerate Ente Nazionale Idrocarbui SpA.

 Cap Gemist Sogeti SA said it had set up an on-line banking service for Crédit Mutael de Bretagne, enabling the bank's cus-tomers to use the service at home through the World Wide Web. Incentive AB, a Swedish industrial group, said it sold Somesson Inredningar AB, a sheet-metal producer, to Active AB for 58 million Swedish kronor (\$8.3 million).

Royal BolsWessamen NV of the Netherlands is to sell its Argentine Bols beverage subsidiary to Allied Domecq PLC of Britain for an undisclosed sum; Royal Bols Wessanen has said it wants concentrate on its food businesses.

Maxwell Employee Was Told to Delete Files

LONDON - The last prosecution witness in the fraud trial of the late Robert Maxwell's two sons said Mooday that the publishing magnate's youngest son, Kevin, told her to delete information from his father's computer.

Liza Payne, the 69th witness to testify in a trial that began in May, told the court that about three weeks after Robert Maxwell died at sea in 1991, she asked Kevin what in do with the documents in the computer, and he told her to get rid of them.

As systems coordinator for the chairman's office of Maxwell Communicatinns Corp., she was responsible for

maintaining the compoter files and backup system. Ms. Payne explained that she had

asked Kevin what to do with the information because it was slowing down the computer system. But during questioning by Kevin Maxwell's defense lawyer, Alun Jones

Payne, she said the information was out destroyed, because it was still in the backup system and on hard copies. A few days after being told to delete the files, police and investigators from the Serious Fraud Office requested docu-

ments from the computer system, and Ms. Payne said she retrieved them from

The Maxwell brothers, Kevin and Ian, are accused of defrauding Maxwell pensiocers by removing stock worth millions of dollars from their pension plans and using the cash to pay off bank loans. Robert Bunn, a former finance director for Maxwell companies, and Larry Trachtenberg, an American financial advisor, also are charged. All have pleaded

The prosecution is expected to formally close its case when the trial resumes on Tuesday.

Rubert Maxwell's media empire collapsed shortly after his body was found floating in the sea off the Canary Islands on Nov. 5, 1991,

Belgacom Fights Higher Fee for Phone License

BRUSSELS - The state-owned telecommunications company Belgacom SA reiterated Monday that it would not pay the additional 5.5 billion francs demanded by the Belgian government for its global satellite mobile phone license.

Because of European Union rules, the government says Belgacom must pay 9 billion francs for the license it awarded last year, matching the sum that a competitor, Mobistar, is paying for the second such

3.5 billion and that is what we are willing to pay," said Belgacom's chief executive officer, John Goosens. "If tomorrow somebody comes and wants to pay 20 billion and go bankrupt we do not want to fol-

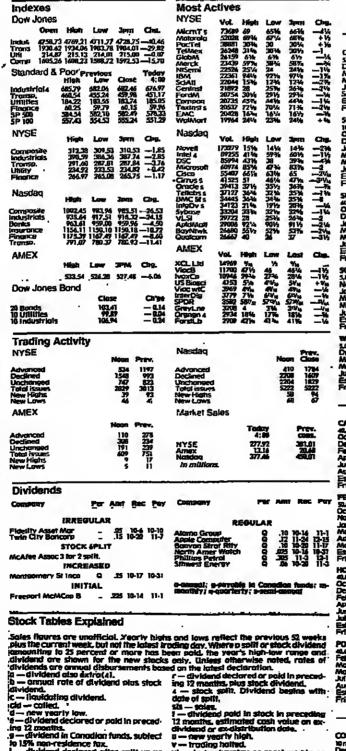
Belgacom owns 75 percent of Belgacom Mobile NV, which operates Belgium's first global satellite network, Proximus. U.S. AirTouch International owns the remaining 25 percent.

The license for the second mobile phone network was awarded to Mobistar, a consortium of France Telecom Mobile International and the Belgian communications group Telinin SA, on Sept. 8.
Also Monday, Belgacom Mobile announced that it would increase the cover-

age and services offered by Proximus. For eight-watt car phones Proximus now covers 90.5 percent of Belgium, For two-watt hand-held phones, Proximus covers 66.5 percent and hopes to increase its range to 80 percent by 1998.

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U.S. STOCK MARKET DIARY



For investment information Read the MONEY REPORT every Saturday in the IHT

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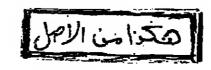
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APEC Session Criticizes Japan On Farm Trade

Compiled by Our Staff From Dispatches
TOKYO — The Japanese overnment came under attack Monday for seeking special treatment in agricultural policy as Pacific Rim nations started a meeting about the region's com-

prehensive free-trade plans. Nobuo Tateishi, the deputy chairman of Omron Corp. which is representing Japanese businesses at the meeting, said Japan "cannot escape" its responsibilities as the world's second-largest economy and the current chairman of the Asia-Pacific Economic Coopgration forum.

Mr. Tateishi said Prime Min-Tomiichi Murayama "must take the lead" in persuading other Japanese politicians and agricultural interests 10 "make some compromises."

Officials of the 1g member economies in the APEC forum are working this week on a plan to implement last year's pledge, known as the Bogor Declaration, to achieve regional free trade by 2020.

comprehensive plan, known as the Action Agenda, at a summit meeting in Osaka next month. Agricultural trade is high on the list of potential stumbling blocks, with Japan's plea for special treatment angering many countries, including the United States.

Even Tokyo's ambassador to any real expectation that we'll APEC, Hiromoto Seki, questioned Japanese policy in a recent government publication, asking, "Can we continue to produce incomprehensible solutions, trapped between domestic politics and the international economy?

Mr. Seki was referring to Japan's compromise in the Uruguay Round of global trade that they're the chair next talks last year, which opened the year," he said. country's rice market after years

() Japan agreed to import about 400,000 tons of rice in the year ending in March 1996 and to double the quota by 2000.

As a result, the Asahi Shimbun newspaper said in an ed-

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Offer Document, acceptance terms and other relevant

documents may be obtained by holders of such shares and

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October 9, 1995

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itorial Sunday, "Japan is now obliged to import buge amounts of foreign rice which producers or consumers may not want."

Instead of more such piecemeal measures, it said, Japan should "grapple with the idea of freeing up its farm trade in a more constructive way, as it could lead to an improvement in the agricultural sector."

Mr. Tateishi proposed that Japan take APEC's so-called Action Agenda as an opportunity to set the pace in further opening its agricultural market beyond the Uruguay Round.

The Tokyo government has repeatedly said it wants to keep its options open regarding rice purchases after 2000, pending progress in negotiations at the World Trade Organization.

Separately, an APEC official who asked not to be identified said China, South Korea and Taiwan also wanted "differential treatment" for agriculture and some other sectors.

APEC's other 14 members Australia, Brunei, Canada, The members hope to sign a Chile, Hong Kong, Indonesia, omprehensive plan, known as Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Thailand and the United States

 oppose such exceptions. "There were no signs of anyone having second thoughts or backing off," the official said Monday. "I don't think there's

make progress here."
The official also denied that the Philippines had changed its position and was seeking special treatment for its agricultural sector, describing as "rock solid" the country's opposition to exceptions.

"They have a number of reasons for doing that, and one is

The official said it was not tentative plans for a special meeting of officials "a couple of days before" the meeting of APEC ministers in November.

China's Appliance Firms Thrive **But Market-Opening Moves Cloud the Outlook**

million families.

But they are bousehold names, with shops to service the televisions, air conditioners and washing machines they

China's consumer electronics and appliance companies expect growth and profits to continue, despite government austerity measures that have crippled many other industries.

There could be trouble ahead, though. If China is admitted to the World Trade Organization; as it wants to be, it will panies like these against competition

from imports.
Without tariffs that add between 50 imported stereo or cassette player, "do-mestic brands couldo't compete," said Zhou Zhenhua, an economist at the Shanghai Academy of Social Sciences.

Out of 13 Chinese bousehold appliance and consumer electronics companies, none reported a loss for the first half of 1995. Eight reported rises in profits, and

five reported declining profits. The industry's output rose 27 percent in the first half of the year, to 106.5 billion yuan (\$12.8 billion).

Meanwhile, cuts in government spending and a credit crunch have crippled many other industries. "Austerity measures bave only affect-ed the consumer market indirectly," said

Changhong or Narcissus. Until recently. ers. "It's not like infrastructure, where neither had most of China's about 300 the government provides all the fund-

First-half profit for Konka, based in the national networks of dealers and repair Shenzhen special economic zone just north of Hong Kong, rose 23 percent, to 140.3 million yuan, and the company

redicts a 20 percent rise next year.

It is one thing to compete with local brands, though, and quite another to wrestle with global giants such as Sony Corp. once they gain easier access to the local market. So China has introduced policies to prepare the companies for competition.

The government, for instance, will maintain high tariffs to protect some busihave to relax barriers protecting com- nesses, said Elizabeth Cheng, China research director at brokerage firm James

Capel Asia.

There shouldn't be much problem for percent and 90 percent to the cost of an imported stereo or cassette player, "do"They already make those products cheap-

If tariffs came off today, Chinese ashing machines and refrigerators would still cost 10 percent less than imports, according to a report by Sun Hung Kai Securities.

Air conditioners, though, would cost 43 percent more and would still need tariff

China's policymakers are also encouraging the largest companies to grow even larger so they can compete with the for-eign multinationals, a strategy hailed by the state press as a drive to produce "Chi-

na's Sony'' within the century.
To give Konka a boost, its income-tax

Chen Yiguang, operations manager at rate was balved to 7.5 percent last year, a SHENZHEN, China -- You may nev- Konka Electronics Group Co., a maker of policy applied to high-tech firms that er have heard of the brands Konka, televisions, cassette players and comput- achieve high levels of exports. Local governments are also allowed to offer electhe government provides all the fund- tronics companies low land-use fees and preferential tax rates to set up plants.

China's undeveloped interior is so vast that companies must range far and wide to make more sales. This year, Konka set up sales and service centers in five inland cities, including Urumqi in the far north-west, more than 2,000 miles (3,200 kilometers) from the company's headquarters Konka aims to triple sales by 2000, to 10 billion yuan.

But expanding markets costs money. Profit margins dropped during the half because of the start-up costs of a new marketing drive: selling smaller televi-

sions to farming communities.

Similarly, Sichuan Changhong Electronics Co., the nation's largest consumer electronics company, aims to tap the market of nearly 900 million rural dwellers and more than triple its production to 10 million units by 2000. First-half profit rose 17 percent, to 350.7 million yuan, after seven new color television manufacturing lines went into production.

The key to meeting aggressive growth plans, economists say, is expanding sales in rural areas as soon as they are linked to water and electricity.

Even in the cities, the market for appliances has barely been scratched.

For instance, sales of air conditioners in Shanghai soared 141 percent, to 123,000 units, in the first five months of this year, according to the report by Sun Hung Kai Securities - and still only 9 percent of urban residents own one.

Investor's Asia Hong Kong Singapore Tokyo Straits Times Nikkei 225 Tokyo 9000-8500 H 14000 M J J A S O Exchange Prev. Close Honey Kong All Ordinanes 2,098.80 2,098.20 Nikkei 225 Kuala Lumpur Composite 983.81 0.74 Bangkok SET 1,321.34 1,327.44 0.48 Talpel :: Stock Market Index 5,269.78 ... 5,207.12 ... #1,03 2,611.04 2,640.77 -1.13 Composite Index 495.73 496.29 #Z\$E-40 2.096.20 2.089.50 +0.32 Bombey - Sensitive Index 3,589,41 3,603,55 -0,39

Very briefly:

 McDonald's Corp. will slash the price of its Big Mac ham. burger in Japan by 100 yen (\$1.00), to 280 yen starting Monday, reflecting the trend toward price-cutting in Japan resulting from a prolonged slump in consumer spending.

Pioneer Electronic Corp. developed a 40-inch (1.01-meter) flat screen that could can be used as a wall-hanging television and plans to start selling the screens next year, making it the fifth. Japanese company to announce such plans.

 The Shanghai Commodities Exchange ordered a member company to reduce its November plywood contract holdings, the Shanghai Securities News reported, saying Shanghai Zhongjim. Industrial Co. had allowed clients to use multiple trading codes to buy 78,980 contracts, compared with the limit of 10,000.

• Cambodia's 21 provinces are expected to have their telecommunications networks re-established and fully operational by early 1996, under terms of a contract with Indosat of Indonesia. China's national securities regulators will take over from local-regulators in Shenzhen and Shanghai in deciding which companies may issue B shares reserved for foreign buyers.

NEC Corp. will spend 50 billion yen to build a production line.

to make one-gigabit dynamic random-access memory chips on a trial basis at its Sagamihara plant near Tokyo. Construction is to begin next year and the line is to begin operating in 1997.

 PT Telkom of Indonesia expects net profit to grow 4.5 percent in 1995, not 34 percent as forecast earlier by the bank PT. Makindo, apparently because of a delay in receiving payments; from foreign concerns that won contracts to install phone lines. Nippon Telegraph & Telephone Corp., Itochu Corp., Cable: & Wireless PLC and Hong Kong Telecommunications Ltd. will set up \$4 million a joint venture in Hong Kong to promote the introduction in Asia of the personal handy phone system.

Siemens AG plans to invest as much as \$4 billion in in-"George Soros is a well-known businessman," Mr. Li said. "Whether the approval by the end of the year and was approval by the end of the year and year approval by the end of the year and year approval by th

Soros Seeking Stake in a Chinese Airline

HAIKOU, China — The financier

of a stake in Hainan Airlines Co., the first foreign investment in a Chinese state airline, officials said Monday.

southern island province of Hainan and associates of Mr. Soros were made possible vet clear how differences would by new government rules that allow forbe resolved but said there were eign investment in the nation's rapidly growing airlines, said Li Bin, director of international business at the airline. An official from the industry regulator,

(Reuters, AFP) na, said Hainan Airlines bad been given pocket or from a group from which he is

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approval to negotiate the sale of 25 percent of its shares to a U.S. company. The of-George Soros is negotiating the purchase ficial, who asked not to be identified, said the "experiment" had yet to win final government approval.

Beijing has forecast that Chinese airlines The talks between the carrier of the will carry 50 million passengers this year, three times as many as in 1990.

But as a smaller player, Hainan Airlines is not ideally placed to tap into that growth, analysts said. They were puzzled as to why Mr. Soros would want to buy into it.

the Civil Aviation Administration of Chi-money will be out of George Soros's own

involved, we don't know. Nothing bas been finalized." Hainan Airlines flies only domestic

routes to 21 Chinese cities from its base in Haikou, largely tourists drawn to its beacbes. It operates five Boeing 737 jet and two smaller aircraft. Koo Zayong, an airline analyst at CS

First Boston, said the airline needed to win government approval to operate international flights to match profits at the nation's larger airlines.

preparing to sell shares to foreign investors Pacific region would more than double to \$15 billion by 2000. in China's domestic stock markets.

Rewers. Bloomberg. AF

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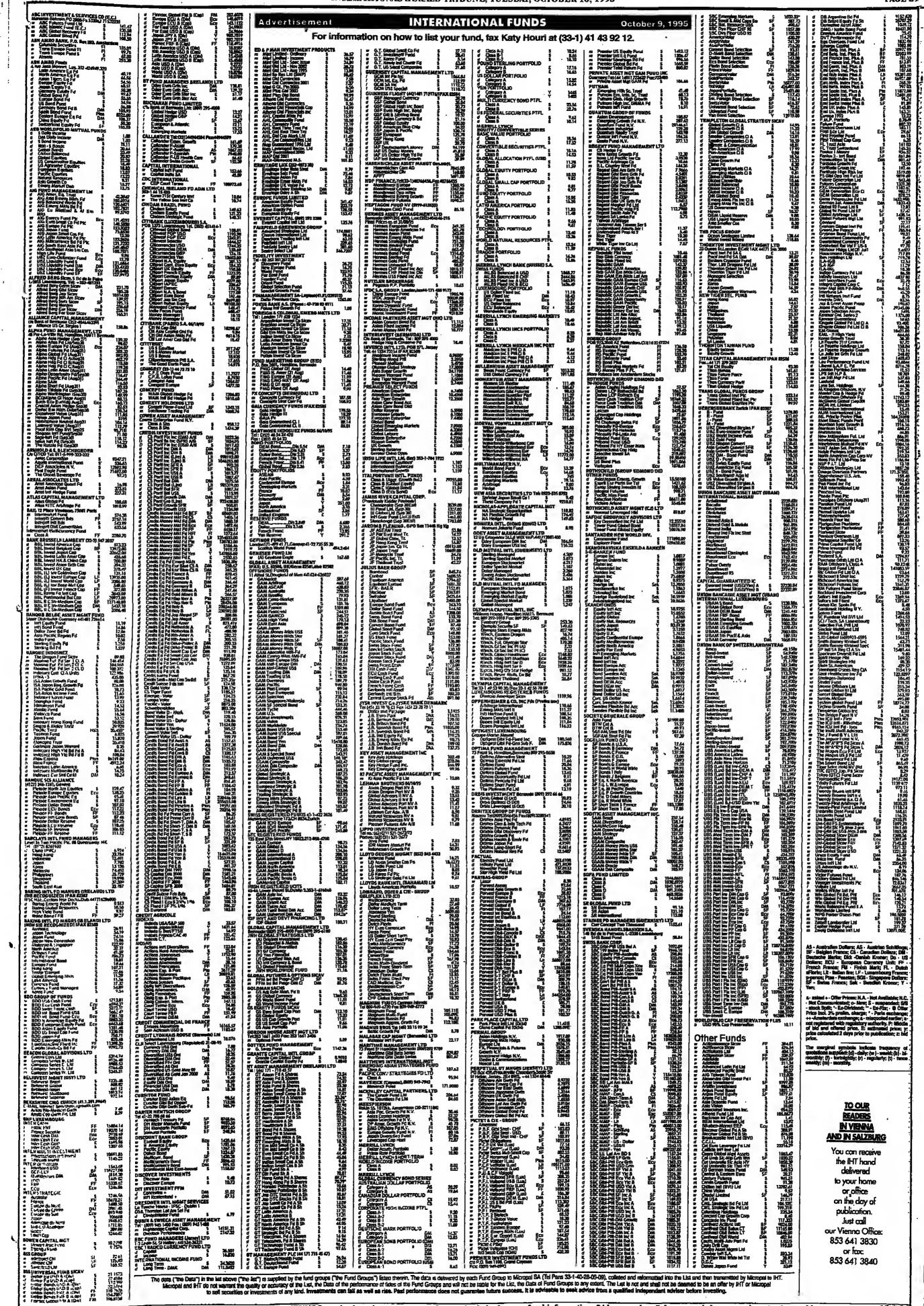
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Colts' Lesson for Dolphins In OT: Nobody's Perfect

By Larry Dorman New York Times Service

MIAMI — This was supposed to be all about Dan Mari-oo and the unbeaten Miami Dolphins. It was supposed to he eclipsed Fran Tarkenton's caexorably toward another victory, this time at the expense of the Indianapolis Colts.

Moral to the story: nobody's perfect. The Dolphins suffered their first loss of the season, 27-24, defeated in overtime on Cary Blanchard's field goal on Sunday, wheo the National Football League, for the first time, had four games go into

overtime on the same day. Marino eclipsed the record, but the Colts' quarterback, Jim Harbaugh, eclipsed Marino in the department that counted.

He made the winning plays when he had to. He brought the Colts back with 21 second-half cision that was Marino-like.

"He's a great quarterback," of eerie silence. said Harbaugh, who was 25 of

ward that "it was an embar- sarily prevail. rassment."

of the attention was focused on included two fourth-down con-

Marino's chase of Tarkenton's versions, the second one for a 3completion record and on yard touchdown pass from Harwhether the Dolphins would he baugh to Floyd Turner. ble to stop, or at least contain,
Marshall Faulk,

Marino got the record — a

Marino got the record able to stop, or at least contain, Marshall Faulk.

but it did not take long for the possession when Harbaugh rest of the story line to change. The Dolphins pounded the Colts' run defense, ranked No. left in regulation. 2 in the NFL coming in, scoring on their first possession on a ciased Press reported: six-play drive that included just one pass. It all began with the Oakland, playing at home, used recovery of Faulk's fumble, the no-huddle attack to rout covered by Chris Singleton at Seattle as Harvey- Williams the Colts' 34, and ended with rushed for a career-high 160 Terry Kirby pounding over yards, ran for a score and threw from the 3-yard line.

rom the 3-yard line.

Miami struck again, this time aroving 50 yards in 11 plays on its second possession. Marino's 5-yard touchdown pass to Irving Spikes tied Tarkenton's completion record, and after the Colts moved in for their lone score of the first half — a 21-yard field goal by Blanchard — Marino broke the record.

for another, Jeff Hostetler had 33 yards passing and two 23, low 24, was 25. Text and 16 yards to Kerry Cash.

Lions 38, Browns 20: The NFL real Barry Sanders resurfaced against one of the league's toughest defenses, with the year rushing for 157 yards and Michael indigno.

while a videotape of Tarkenton ceiver Andre Rison with a

blared on the giant scoreboard.
The old scrambler told Marino he was proud that the record had been broken by Marino, and that he was sure Marino would "wear it well."

Reinforcing that assessment a celebration of the day Marino required seven minutes 52 sec- against New England to 8-0. onds. That is how long it took reer completion record and of Marino, who completed six outscored 129-43 this season, the day the Dolphins rolled inthe Dolphins from their 29 to the Colts' end zone.

Once again, Kirby blasted New York linebacker Jessie over, this time from two yards Armstead returned an OT inout, and the Dolphins went ahead, 21-3. They added a 51yard Pete Stoyanovich field goal and went into intermission with a commanding 24-3 lead. The Miami faithful saw their

NFL ROUNDUP

completing 19 of 30 passes to season pass in front of their bring his career total to 3,701, eyes on the Dolphins' first possession of the second half, when the Colts' safety, Derwin Gray, mismatch of the day, Jack-came untouched up the middle sonville's expansion team beat on a blitz and knocked Marino the visiting AFC powerhouse as flying backward. As flags and fists flew, Marino lay writhing points and then led them to the on the ground, holding his lowwinning field goal with a pre- er back, and the collective intake of breath created a vortex

When it was all sorted out. 33 passing for 319 yards and Gray was charged with roughthree TDs. "I'm glad for him to ing the passer, and teammate get the record. The win's the Tony McCoy, a defensive linemost important thing for me. It man, was ejected for fighting was a hig win that took a lot of with Ron Heller. Both calls were questionable, but when For the Dolphins, it was a the NFL's franchise quarterdemoralizing defeat. Their back goes down, albeit momencoach. Don Shula, said after- tarily, reason does not neces-

But ignited by the melee, the "It was a total collapse by Colts launched an impressive drive of their own, moving 85 Coming into the game, much yards on a 14-play drive that

Harbaugh next took the Colts for a foregone conclusion, since he coming on a Dolphin blitz. And needed just four completions — they tied the score on their next found Aaron Bailey alone in the corner of the end zone with 1:09

In other games, The Asso-

Raiders 34, Seahawks 14:



Dan Marino broke Fran Tarkenton's NFL completion mark, but couldn't bust the Colts.

Marino Undergoes Arthroscopic Surgery

scopic surgery Monday to have lonse cartilage in

Dolphins' loss to the Indianapolis Colts.

Robert Smith's 20-yard dash to rallied from 10 points down in Guliford put expansion Carolihost Minnesota's winning the last quarter. touchdown. Warren Moon fin-

Dallas beat visiting Green Bay and two touchdowns. Eagles 34, Redskins 31: four field goals. Gary Anderson's third field wayne Washington's interception of backup quarterback Will yarder with 10:06 gone in OT, with 38 seconds left to give concussion after he was hit by Furrer's pass in overtime set up bear Washington, which had Chicago its victory after Eric Bruce Smith.

The damage was discovered Sunday night when Marino underwent an MRI test after the Dolphins' loss to the Indianapalia Calabata and Dan Kanell, but he gave no other details. Marino also also and Dan Kanell, but he

ished 28 of 43 for 289 yards, all The defense forced six turnovers his best days, going 24-for-31 season highs, and Cris Carter as host Tampa Bay moved into for 316 yards and two TDs as made 12 catches for 115 yards first place in the NFC Central season highs, and Cris Carter as host Tampa Bay moved into Thomas ran for more than 100 with Michael Husted kicking Bears 31, Panthers 27: Buffalo. New York lost quargoal in Philadelphia, a 35- Robert Green scored from the 1 terback Boomer Esiason with a

Undergoing arthroscopic surgery usually does MIAMI — Dan Marino underwent arthroopic surgery Monday to have lonse cartilage in

A spokesman for the Dolphins, Harvey

pointer Sunday, but returned to the game.

na ahead by returning a punt 62 Buccaneers 19, Bengals 16: yards for his first NFL TD. Bills 29, Jets 10: Thurman

yards for the first time in a year, gaining 133, and Steve Christie kicked five field goals for host

SIDELINES

Officials Contradict Graf Reports

FRANKFURT (AP) - Steffi Graf, who is under investigation for tax evasion, does not face immediate arrest, the Mannheim state prosecutor, Peter Wechsung, said Monday.

Wechsing, said nothing had changed since the tennis star underwent lengthy questioning Thursday, and there was no reason to smooth and the start of to arrest her at this time, contrary to reports published in Der Spiegel magazine. A spokesman for Mannheim District Court Judge Helmut Bauer also denied that Bauer had told Der Spiegel that "another application for an arrest warrant" could be coming soon.

Scherbo Wins Record 13th Medal

SABAE, Japan (Reuters) - Vitaly Scherbo of Belarus won a record 13th world gymnastics gold medal when he retained his floor exercise title Monday.

The veteran Italian Yuri Chechi also reached a milestone,

winning his third successive world championships gold in the rings, while in the pommel horse. Chinese-born Li Donghua, a naturalized Swiss since 1994, won her new country's first gold medal at the world championships in 40 years.

Golfer Bryant Finally Triumphs

LAKE BUENA VISTA, Florida (Reuters) — Brad Bryant, a perennial bridesmaid on the U.S. Tour, grahbed the gold rings. Sunday with his first victory, a one-stroke triumph at the rainshortened Walt Disney World Golf Classic.

Bryant, 40, who had finished second seven times hut never won in 459 tour starts, sank a two-foot par putt at the final hole just minutes before a downpour flooded the course. His 68 put him one stroke ahead of Hal Sutton (66) and Ted Tryba (65).

For the Kecord

Chris Webber, the star power forward acquired last season from Golden State, has agreed to a multiyear contract, the NBA Washington Bullets announced. (AP)

Damon Hill said he had sustained a hairline fracture of his right leg wheo he crashed at Nurburgring Oct. 1, but will drive in the son's final three Grand Prix races.

Thunder Gulch, winner of the Kentucky Derby and Belmont Stakes, was retired after fracturing a leg in the Jockey Club Gold The National Football League has signed Nike to a five-year

licensing deal valued at an estimated \$200 million, one month after Jetry Jones of the Dallas Cowboys signed Nike as his

SCOPEROADD

knee injury in the first quarter.

iting Denver got 97 yards rush-

ing from rookie Terrell Davis,

while Jason Elam kicked three

field goals. John Elway had two

TD passes in upping his record

The Patriots have been outscored 129-43 this season,

of their last four games.

Giants 27, Cardinals 21:

terception 58 yards for the vic-tory against visiting Arizona.

third turnover in overtime and

the seventh of the game. The

Giants forced overtime after

TD in the fourth quarter.

some Monday editions:

Dave Brown ran 2 yards for a

In earlier games, reported in

Jaguars 20, Steelers 16: In

what was supposed to be the mismatch of the day, Jack-

quarterback Mark Brunell

threw for 189 yards and one

touchdown, then scrambled 44

Cowboys 34, Packers 24: Troy Aikman played despite a

sore calf muscle and had one of

for the sixth straight time. Vikings 23, Oilers 17: De-

yards for another.

Armstead's TD came on the

Broncos 37, Patriots 3: Vis-

Marino broke the record.

He connected for his 3,687th completion on the first play of another scoring drive, hitting Keith Byars for 6 yards. The action was stopped momentarily while a videopape of Tarkenton control of the control

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9—27. Geodies: D-Osgood. E-Ranford.

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SOCCER **EUROPEAN QUALIFYING**

SPANISH FIRST DIVISION SPANISH HILST DIVISION
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Structions: Afterico Machid, 19; Borcelona, 17;
Espanol, 16; Compostela and Valencia, 13; Afterico Biboo and Real Bells, 12; Tenerife, 11;
Departino Caruna, Sparring Gijori, Albacete and
Zaragaza, 10; Real Madrid and Volladelid, 8; Oviedo, Real Socieded and Racing Santonder, 7; Sevilla, 6; Cetta Vigo and Salamanca, 5; Merida.

INTERNATIONAL EXHIBITION

CYCLING

WORLD CYCLING CHAMPIONSHIPS Mouro Glanetti, Switzerland, s.t.; S., Poscot Richard, Switzerland, :53: 6. Richard Virenque, France, 1:31: 7. Dmby Konyshev, Russia, 1:53: 8. Otherio Rincon, Colombia, s.t.; 9. Rolf Sorensen Detamoric, s.t.; 10, Felice Putitul, Switzerland, s.t.

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CALVIN AND HOBBES

Croutia 1, Haty 1 Scores: Croutia - Dovor Suker (47th minute, alty); Italy — Demetrio Albertini (29th)

BASKETBALL **EUROPÉAN QUALIFYING**

GOLF

TRANSITIONS BASEBALL

3AM DICCO-Ammonities and string reviews. 3d base cooch: Sonny Siebert, pitching cooch; and Tye Wolfer, bullpen cooch; will not return next season. Re-hired Dovey Lopes. 1st pose cooch: Rob Piccielo, bench conchr and Merv Reteammend, hitting cooch.

BASKETBALL

MILWAUKEE-Signed Morty Conton, for-

MHAT A STUPIO WASTE OF TIME THIS IS! I WISH THERE WAS SOME WAY OUT

OF THIS ASSIGNMENT.

Walt Disney Classic Leading final scores Sunday of the pur-72 files
1.2 million Walt Disney Classic, played on the
7,190-yard (6,471-in) Magnella Course, the
6,957-yard (6,261-m) Pulm Course and the
6,819-yard (6,137-m) Lake Buesa Visia Course rapert Werdann, Centers, PHOENIX—Traded Dan Majerie and Anto-rio Lang, forwards, and 1st-round draft choice in any of next 3 years to Gereland Cavallers for John Williams. Center.

John Williams, center,
SAN ANTONIO—Signed Cory Alexander,
guard, to 3-year Contract,
UTAH—Agreed to terms with Chris Morris,
forward, on 3-year contract, Signed Greg Foster,
center, to 1-year contract. WASHINGTON—Agreed to terms on multi-year contract with Chris Webber, forward, Re-signed Don MocLean, forward.

Notices of management and process of the control of

BUTTALL

Inulityear controct,

CALGARY—Traded Frank Ausil, defense

1007 4th meth draft COLORADO-Re-signed Scott Young, right wing, to 1-year contract.

DALLAS—Assigned Milke Later, defense-men, to Son Francisco, IHL.

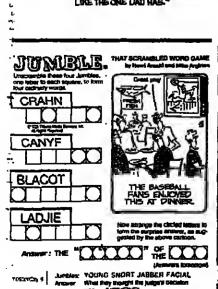
NEW JERSEY—Signed Petr Sykoru, center, to 3-year controct and assigned thin to Albony, AHL Looned David Emitra, center, to Detroil, IHL. Put Bobby Carpenter, center, and Volent Zeleputdin, left wing, on bytered reserve. Sent Deals Pederson, conten Milke Dunham, goal-tender, and Cale Huise, defensemen, to Albuny, AHL. Designared Peter Stortilewicz, goal-tender, for assignment.

N.Y. RANGERS—Agreed to terms with Ulti Samuelsson, defensemen, on multilyear contract. Assigned Daniel Lacrob, center, to Binghamton, AHL. Acquired Steve Larouchs, center, from Offarwa Senators for Jean-Yves Roy, right

wing.
OTTAWA—Claimed Tom Chorske, right wing.
off wolvers from New Jersey.
PHILADELPHIA—Signed Kevin Haller, defenseman, to multiyear contract.
ST. LOUIS—Assigned Kevin Sawyer, forward:

DENNIS THE MENACE





For investment information

Read the MONEY REPORT every Saturday in the IHT



REMEMBER, GARFIELD, IF YOU CHEAT ON YOUR DIET. JEM PAVIS 10-10











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THE FAR SIDE





Soccer Postpones 'Vision' Showdown Study Group Is Set Up

Compiled by Our Staff From Dispatches ZURICH — The heads of the other confederations, UEworld soccer's confederations FA has already dropped proout off Monday making a decision on European proposals to confederations and for FIFA to reform the structure of the sport, instead setting up a compointed from the confederation mission to study proposals to presidents. cut the role of FIFA, rotate the World Cup finals geographically, and boost global profits.

The Rope

The working group will re-Fort to the presidents of the six continental confederations on Nov. 20 and they will then FIFA's executive committee in

The move temporarily re- their positions clear. stored harmony in the running of the world's higgest sport and glossed over a power struggle between FIFA President João Havelange and Lennart Johansson, head of the powerful European organization, UEFA.

The working group - comprised of the general-secretaries of the six continental organizations - will study two socalled Vision proposals issued by Johanssoo.

Vision I would rotate the World Cup finals automatically between continents to avoid the political infighting that currentv dominates site selection; cut FIFA's central role and reform its decision-making executive committee.

Vision II proposes boosting World Cup income to at least \$800 million by overhauling the sale of television and marketing rights. By comparison, TV rights for the successful 1994 finals in the United States brought in just under \$96 mil-

But within a week of UEFA throwing down the Vision part due to his plans to expand gauntlet last month, FIFA countered hy letting it be France by eight teams to 32, known it had offers worth an with most of the additional estimated \$1 hillion for the berths going to Africa and marketing and broadcast rights Asia of the 2002 World Cup. The 1998 finals are covered by an loser in that battle.

Jonansson said after Monday's meeting.

You see it is already having a result," he added. "It's gone from \$184 million to \$1 hillion in one week — isn't that funnv?

Johansson said he was pleased with the outcome of Monday's session and with the "positive and objective approach" of other confederation chiefs.

"They didn't say they agree with us in each and every point." he said. "What we have agreed to talk about is to find

out whether we are on the right track." he said. Among the regional confederations, only the Africans have ing time.
so far spoken out in favor of "There will be no rule

UEFA's proposals. Apart from being angered by FIFA's decision earlier this year to move the world youth championship from Nigeria to Qatar, the Africans have most to gain from a redistribution of power and money among the confederations.

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posals to merge the smaller

FIFA sources said Concacaf, the Central and North American soccer body, and Con-mebol, the South American confederation, were lined up solidly behind Havelange.

They said the Asian confedmake their recommendations to eration and Oceania, which is not a full confederation under FIFA rules, had yet to make

At a rare joint press conference, Havelange and Johansson papered over their differences to portray the image of a united soccer family.

Havelange said Johansson told the confederation chiefs that Europe wanted "an evolution oot a revolution.**

Johansson said reports of a power struggle were wrong and that he was not making a personal attack on Havelange, the Brazilian who has run FIFA since 1974.

Asked if UEFA intended to field a candidate in the elections to succeed Havelange in 1998. Johansson replied: "It's a long way to the moon. We have a president who is elected unanimously until 1998 so I refuse to answer the question."

Still, there is considerable unhappiness in Europe over the hold the 79-year-old Brazilian lawyer has on global soccer. Havelange withstood a Eu-

in office last year. This was in the 1998 World Cup finals in

Europe was the conspicuous

A record number entries 'The fundamental is to make have flooded in for the World use of what football can bring Cup preliminaries. FIFA General-Secretary Sepp Blatter said more than 165 countries were expected to put their names forward by the deadline Friday.

Blatter said he and other general secretaries were working on how to fit an estimated 750 to 800 games in an already busy soccer schedule. Problems, including South American objections to the emerging calendar, were expected to be sorted out hy the draw in Paris in De-

cember, he said. Earlier, FIFA officials denied reports that it is to tighten restrictions on back-passes to the goalkeeper to prevent defenders from heading or chesting the ball backward and wast-

changes before the 1998 World Cup finals." Blatter said.

Officials said the rule change had been discussed at a FIFA technical meeting last week, hut that there were no plans to put it before FIFA's rule-making international board when it meets in Rio de Janeiro next March.

Mariners Finish Yankees in 11th Inning of Game 5



After Ken Griffey slid home with the winning run, the Mariners and their 57,411 fans jumped into the celebration.

Mariners Unveil Their Own Mr. October

By George Vecsey
New York Times Service

SEATTLE—After his compact swats produced two home runs and seven runs Saturday night, Edgar Martinez was championed by Reginald Martinez Jackson, who used to own this mooth of October.

"Best hitter in basehall." the Yankees' Martinez called the Mariners' Martinez. "People are only starting to realize just how

ropean challenge to win elec-tion for his fifth four-year term night in the 11th inning, he slugged a double into the left-field People now know a lot more about Edgar Martinez. On Sunday corner to score two runs and beat the Yankees, 6-5, and send the Seattle Mariners into the championship round of these newfangled basehall playoffs.

It was another classic major league playoff game, more lead changes, more mood shifts, with weary pitchers like Randy Johnson and Jack McDowell and David Cone pitching their hearts



David Cone bowed out after walking in Seattle's tying run.

and very probably their arms - off. But the final hammer was applied by Edgar Martinez, a modest man who has played for a marginal franchise in the upper left-hand corner of the baseball map. A month ago the Mariners couldn't draw fans in their dismal dome, and a vote to build a new stadium failed. On Sunday night, the fans were doing their best to raise the roof and let in the misty Seattle night - with their voices and their energy. And Edgar Martinez put them in that mood.

Edgar Martinez, age 32, merely won batting titles in 1992 and 1995 and has a career average of 313. He has been playing professionally since 1983, and had his share of failure, as many baseball players do. He was still being shuttled to the minors as recently as 1989, but now he is at his peak. His 29 homers this year were 11 higher than his previous best. His .356 average, 113 runs batted in and 116 walks were all career highs.

Maybe Reggie Jackson saw it coming. Reginald Martinez Jackson, from Philadelphia, is proud of his Hispanic roots on his mother's side. Edgar Martinez was born in New York and grew up in Puerto Rico. They are not related, but the Yankees' "special adviser" is quite willing to claim the Mariners' designated hitter

It takes a master to recognize one. Reggie Jackson dominated so many post-season games that he unashamedly answers to the nick- Vantage name of Mr. October. The New York Martinez is as flamboyant as Point the Seattle Martinez is reticent. It is

the tale of these two cities, the tale of these two franchises. Reggie did it with bluster. Edgar does it with serenity. After his stunning double coup on Saturday, Edgar Martinez

rode the exercise bicycle in the clubhouse. He wasn't ducking anybody but, as a designated hitter, he needed the workout. Meanwhile, other people were talking about him. That grand slam, a great hitter like Edgar should have hit a

home run," Reginald Martinez Jackson was saying about the shot off the Yankees' best reliever. John Wetteland. "Edgar saw so many pitches, he fouled so many off, that he got his timing down on Wetteland," Reggie said. "Wetteland made a mistake, put one right down the middle, and Edgar just pot it out

of here. I would expect him to do that. "But that first home run," Reggie was saying about the three-run blast off Scott Kamienicki, "I do not understand how he hit that home run. That was a good pitch, inside. Most hitters, even power hitters, would honk that ball foul into the left-field stands, but Edgar is so strong, he has such a great stroke, that he just

In the darkness outside the cluhhouse, the left-handed Reggie Limitated a right-handed hitter keeping the bat handle close to his chest, angling the meat of the bat forward — short, sweet, 'Tremendous,' Reggie said. 'Nobody else could do that but

Edgar. Best hitter in baseball." The Yankees have a special perspective. In this series, Martinez was 11 for 21 with 10 runs batted in. This gave him 29 for 67 against the Yankees this year, with nine homers and 30 runs batted

When he finally got off the exercise hicycle, Edgar Martinez said just enough to confirm his reputation as a gentleman: "I tried to make contact - maybe produce a run or two," he said of both

Asked about being unknown in the east, Martinez nodded his head. "I was feeling the playoffs, sure, I'm going to be excited, you know you're going to be exposed. I like to get satisfaction for the whole team. I can tell you if I get to a post-seasoo game, I feel

it belongs to the team." Prodded about his feelings after slugging his seam back into this series. Edgar Martinez said, "I'm just trying to hide my emotions right now. I feel we have the momentum.

That was as much as the Mariners' Martinez would say about himself. Now he is the latest in a small clan of sluggers who have dominated an October night.

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LCNOON

Martinez's 2-Run Double Scores Griffey From First

The Associated Press that 1 struck him out with SEATTLE — Symbolically, ninth," McDowell said.

fey Jr. sliding safely home. Griffey started off one come-

back, then capped another Sunday night by scoring on Edgar Martinez's two-run double as the Mariners beat the New York Yankees, 6-5, in 11 innings in the decisive fifth game of their American League playoff.

This was a phenomenal series, just great baseball every said the Mariners' manager, Lou Piniella. Every game was up and down. It's just a shame that there had to be a losing team."

The victory extended the Mariners' first trip to the postseason. Much of their success was attributable to Griffey, the biggest star in team history. Having hit a playoff-record fifth homer to begin an eighthinning rally that tied the score, he raced around from first base on Martinez's hit into the leftfield corner.

When he stid home with the winning run, he was mobbed by teammates as the Kingdome crowd of 57,411 cheered.

"I was thinking score all the way," Griffey said. "If I get thrown out at the plate, we still have a man in scoring posi-

"When I saw him round second, I knew he had a chance," Martinez said. "I've never seen

him run so fast." For the fourth time in seven days, the Mariners refused to let their season end. Once again, Randy Johnson was a key contributor as the team's ace pitcher won in a relief role.

The Mariners, who had to survive a one-game playoff against California, overcame the wild-card Yankees and became just the fourth team in major league history to come back from an 0-2 deficit in a best-of-five series.

To do so; they called on Johnson in relief, got the record-setting homer from Griffey and came back from a 5-4 deficit in the 11th after stranding seven runners in the previous three innings.

'I don't have the words to say how disappointed I am for my players," said the Yankees' manager. Buck Showalter. 'But I'm very proud of the way

they played today. The Mariners begin the best of-seven American League championship series against Cleveland on Tuesday night in the Kingdome. Piniella said Johnson probably would pitch

Game 3 Friday in Cleveland. Johnson, who relieved in the ninth and shut down the Yankees until the 11th, got the vic-tory in his first relief appearance of the year.

Jack McDowell, making his first relief appearance in the majors, escaped jams in the 9th and 10th innings hut could oot hold a lead in the 11th after Randy Velarde hit a go-ahead single off Johnson.

Showalter chose to use Mc-Dowell rather than John Wetteland, who was New York's closer all season but struggled in this series against Seattle.

Joey Cora opened the bottom of the 11th with a bunt single. barely eluding first baseman Don Mattingly's tag, and tonk third on Griffey's single Martinez, who drove in a postseasonrecord seven runs in the victory in the fourth game, followed with his drive down the left-field

"Martinez connected on the same kind of hanging splitter

that I struck him out with in the

the higgest victory thus far for the 19-year-old Seattle Mariners ended with Ken Grif-walk, pinch-runner Pat Kelly moved up on Tony Fernandez's sacrifice and Velarde singled for his 19th hit in 40 at-bats against Johnson. The inning ended with two strikeouts sandwiched.

around an intentional walk. The battle of nerves began in: the eighth when the Mariners: scored twice off David Cone to tie il at 4.

Then Fernandez doubled to: open the New York ninth and Velarde drew a walk from Norm: Charlton, As Piniella went to the mound, there was no doubt about the next move, and the fans roared when Johnson was called from the bullpen.

He struck out Wade Boggs onthree pitches, got Bernie' Williams on a popup and Paul O'Neill on a foul pop. Johnson' was even better in the 10th, striking out Ruben Sierra, Mattingty. and Gerald Williams.

Meanwhile, the Mariners were wasting chances. They left the bases loaded in the eighth and stranded runners on first and second in both the ninth and 10th against McDowell. Martinez struck out and. Alex Rodriguez grounded out. ending the ninth, and Vince Coleman grounded out in the

Cone, brought to New York to win hig games, failed to hold a 4-2 lead in the eighth. Griffey connected for a

bases-empty horner hitting his third of the week off Cone, the 1994 Cy Young Award win-

With two outs, Tino Martinez drew Cone's first walk of the game, Jay Buhner followed with a single and pinch-hitter Alex Diaz walked, loading the

Cone, having already thrown 141 pinches, ran the count full on pinch-hitter Doug Strange, then walked him. Too late: Showalter took out his ace. ...

Mariners 6, Yankees 5

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ART BUCHWALD

The Man in the Street

WASHINGTON—"I can't couldn't believe that O.J. went stand it any more." Bob to Chicago to get rid of the Lystad said, as we watched the murder weapon." final act in the Simpson case. "I am going to OD on all these 'man-in-the-street' interviews Billings, Montana, know why they keeping showing."

"In a free society." I said grabbing a handful of popcorn.

everyone has to pay attention to the voice of the turtle. Bob said.

"My negative feelings about the man in the street haven't changed since and I YOU

circus last year. Having accepted the expertise of every retired district attorney and judge in the country about what would happen in the trial, why are we forced to listen to the views of the man in the street?

"John Q. Public has rarely been wrong," I told him.

A burly man in a wrinkled T- about." shirt appeared on the screen, sticking his head out of the window of an eighteen-wheel truck. "It was a good decision and a just one," he said with authority. "I expect they found him not guilty because the jury

10 Years of 'Les Miz'

LONDON - The tear-jerking "Les Misérables" celebrated its 10th anniversary this week as one of the world's most successful musicals, seen by 32 million people.

From Tokyo to Budapest, the adaptation of Victor Hugo's epic French novel has been sung in 14 languages. Shows are planned in Hong Kong, Singapore and South Korea.

Bob yelled at the screen. 'How does a driver from the jury did what it did and why should anyone in the United States care?

'Easy, my friend," I said. "This man drives long distances, and he might have picked up something on the road of great value to the view-ing public."

Bob laughed, "He picked it up from Geraldo Rivera an hour

A grandmotherly lady was standing in front of a flower shop, and the TV reporters asked her, "What do you honestly think of the verdict?' "Put me down with a bleep," she replied.

I told Bob, "Now that lady has a strong opinion. You see the man in the street - in this case, the woman in the street - makes easier for all of us to understand what the trial is really

Lystad was not satisfied Now look at that bicycle messenger. He doesn't speak for me

even if he thinks he does. I see

no reason for him to have a

"Maybe he delivers packages for the news producer," I suggested. "Some men in the street are not necessarily strangers to the media. If we are ever going to make up our minds as to what actually happened in that courtroom, we have to let

the little guy have his say.' But the man in the street is taking time away from Larry King, and Larry speaks for Everyman, unlike the accountant in the street whose wife won't even listen to him when he goes

House of Baden's Yard Sale Rakes In Millions

By Alan Riding New York Times Service

B ADEN-BADEN, Germany — When an ancient and respectable family is reduced to selling its furniture, crockery, paintings and even hunting trophies to pay off its debts. thoughts about the transitory nature of wealth may be evoked. But as Sotheby's began auctioning off the contents of a castle owned by the venerable House of Baden here, tears of sympathy were perhaps premature.

Germany may have abolished its principal-ities in 1918, but the head of this dynasty still carries the august title of His Royal Highness Max Margrave of Baden. More to the point, the family still owns three other castles in western Germany packed with treasures that are not on the block. And after just two days of the 15-day auction, described by Sotheby's as the largest of its kind ever held, the family was already \$21.2 million better off. [By 5 P.M. Monday, the total take had risen to \$24.6 million for the first four

days, Sotheby's reported.]
With 6,000 lots comprising more than 25,000 objects from the Grand Ducal Collections of the House of Baden involved in the auction, the most valuable item sold so far was an ormolu-mounted tea table made for the Swedish royal family in 1780, which went for \$1,040,520. Almost as expensive was an 18th century porcelain Ludwigsburg Marketplace, known as the "Venetian Carnival," which sold for \$960,480.

Still, the House of Baden, which traces its roots to the 12th century, has a few debts to pay. And after a recession compounded by mismanagement of its agricultural, forestry and industrial holdings left the family \$184 million in the red, the 62-year-old margrave reluctantly de-cided to liquidate some of his assets. The Neues Schloss, the castle that overlooks this delightful spa, seemed like the obvious place to start.

Since 1918, when the House of Baden was stripped of 15 other castles, the Neues Schloss has been used as a warehouse to store the contents of those expropriated castles. And when teams of Sotheby's experts began sifting through the Neues Schloss early this year, they found it contained important collections of 17th- and 18th-century German furniture. Flemish tapestries, Meissen procelain and myriad art objects.

The margrave had named to Sotheby's because of its wide experience of managing major bouse sales, not least its auction of the Thurn und Taxis Princely Collection in Bavaria two years ago. But he in fact fervently hoped to keep the collection intact and he offered it to the regional



Simon de Pury with a sauce dish, one of the more than 25,000 objects on sale.

exernment of Baden-Württemberg for what he scribed as "a special price" of \$55.6 million. trying to prepare the catalogue," said Christoph But be did not allow for the vagaries of politics. And in no time, the margrave's offer had set off a fierce battle inside the state coalition government based in Stuttgart. The conservative Christian Democrats favored buying the col-lection, but the left-leaning Social Democrats

the margrave," became their war cry.

The immediate result was that the House of Baden's offer was rejected, but negotiations nonetheless continued. "At one point, I was talking to four ministries and a representative of

saw no reason for taxpayers to bail out an

aristocratic family in distress. "Not a penny for

trying to prepare the catalogue," said Christoph Graf Douglas, the head of Sotheby's in Germany who acted as an adviser to the margrave. "We had no signature from the state and we had already spent over \$2 million."

Finally, a half-way deal was worked out, with the stare government agreeing to pay \$31.6 million for the pick of the collection, including its most valuable item, a set of five early 16thcentury painted altar panels by the German artist Bernhard Strigel, for which the Arts Ministry paid \$8.3 million. The margrave's library was

also part of the government purchase.

Douglas said he was glad that the most

important objects will now stay in Baden-Württemberg. But, from a financial point of view, he added with a laugh, it was "perhaps lucky" that the government did not buy everything. 'In February, we had done a very rough inventory," he said, "but the more we studied the

collection, the more it seemed to be worth. On Friday evening, after the first two days of the auction, his instinct was proven right: sales had already exceeded the pre-sale estimate of \$20 million for the entire auction. With the aim of stirring interest in the auction, which ends Oct. 21, the most valuable items were of course offered early on, but takings appeared to be averaging about one-third higher than orig-

inally expected. The controversy surrounding the sale has in num helped draw the crowds to the hill-top castle. During five open days before the auction, more than 23,000 visitors, mainly Germans, looked over the collection which filled four marquees as well as the 105 rooms of the four-floor castle. About 17,000 copies of the seven-volume caralogue have already been sold. And around 800 people filled a large teot when auctioneer Simon de Pury invited bids for the first item, a 15th-century oak chest, on

Thursday morning (it sold for \$66,025).

Preparing the collection for display was no easy task. Glassware and porcelain sets, some of them still in their original boxes, had to be washed. Delicate tapestries were still rolled up in newspapers dating back to the 1850s, while furniture had to be inspected for damage. And the attic was literally bursting with old chairs, picture frames and bundreds of stag's heads and antiers, many of them attached to plaques recording who shot the animals, where and when.
While museums, dealers and collectors,

many of them bidding by telephone, clearly know what items they want, Sotheby's is also counting on selling many fairly worthless paintings, sticks of furniture and even porcelain bedpans simply because of their association with a German royal family. Douglas said he expected some items to go for 15 to 20 percent more than their objective value thanks to the royal markup.

More of a problem is the castle, which the House of Baden would also like to sell after the auction empties it of its contents. "It's on the market," said Prince Bernhard, the margrave's 25-year-old son who is serving as his spokesman, "but we have oo idea of the price. It will depend on who wants it, what restoration has to be done. Perhaps in the medium term the government will buy it. Not yet, of course. It's a problem we'll worry about after the auction."

POSTCARD

Heaney Is Welcomed Home as Symbol of Hope

By James F. Clarity
New York Times Service

DUBLIN — Seamus Heaney, the win-ner of the Nobel Prize in Literature, arrived home and was welcomed not only as a great poet in a land that loves writers and writing, but also as a symbol of hope for lasting peace in Northern Ireland. Heaney, who was born in Northern Ire-

land 56 years ago but now lives in Dublin, was on vacation in Greece when his award was announced Thursday. For a full day, oeither his children nor the scores of reporters seeking interviews could find him. He was invited to a dinner party Friday at

Kennedy Smith, but did not appear.

But when he arrived at Dublin's airport

President Mary I
and more praise. Saturday night, after cutting his trip short

North America

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Europe

upon learning about the prize, Prime Minister John Bruton was there to praise him as a literary symbol of the Northero peace effort, and to have the poer autograph a book of his lectures.

Asked at the airport how he felt about joining the other Irish Nobel winners, William Butter Yeats, George Bernard Shaw and Samuel Beckett, he said: "It's like being a little foothill at the bottom of a mountain range. You hope you just live up to it. It's extraordinary."

He did not mention Ireland's literary giant, James Joyce (a figure in his poetry). who never won the Nobel.

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.

Linusually warm acroas mach of western and central Europe, including London, Peris. Brussels, Geneva, Rome and Vienna. Wednesday strough Finday, parity to mostly sunny each of those days. Turning windy and chilty late this week in Helsniki and St. Petersburg

"It was entirely bewildering," he said of course I insist on being Irish."

before he left Greece, "and still a bit in-credible, It's an awesome dimension." Asked how he felt about being considered a peace symbol, he showed none of the annoyance of some friends, who thought he should have won solely as a poet.

Heaney has dealt with Northern Ireland in his work and acknowledges that his point of view supports Roman Catholic charges of harsh discrimination by the Protestant majority. He left the British-ruled province the early 1970s after he was threatened by Protestant paramilitary guerrillas.

There has been a new mood in the country since last year," he said. "It's a Alley and Rhea Periman. Only Heaney and his wife, Marie, were very precious mood because it promises President Mary Robinsoo for champagne been honored as part of that. I've a very and more praise.

PEOPLE

A WEDDING planner tip: To keep helicopters full of photographers from buzzing vour star-studded reception, invite the president. This will enforce a no-fly zone, and if anyone strays, the Secret Service can just shoot them out of the sky. It worked for actors Mary Steenburgen and Ted Danson, who by all accounts bad a relaxed but spirited family party on Martha's Vineyard after say-ing their vows. In addition to the first family, the guest list included Tom Hanks, Jonathan Demme, Laura Dern, James Taylor, Kirstie off-islanders wondered why "Basically, the island is divided into a Taylor camp and a

long ago, and the newlyweds are "in the Taylor camp." Si-mon was invited by the Clintons for coffee soon before they left the island. The Duchess of York may be getting back together with Prince Andrew, but her mother-in-law won't have her perbeen shooting. forming royal duties, a newspaper reported. "The duchess will be told that her presence is not required with other members of the family at royal events including state occa-

Elizabeth Hurley, fed up with British media attention since her boyfriend Hugh Grant was caught with a Los Angeles prostitute, may move to Ireland and become a Roman Catholic, a close confident said. News of the possible move was given in Harpers and Queen Magazine by journalist journalist

sions, Royal Ascot and garden

parties at Buckingham Palace,"

The Mail on Sunday reported.

referring to such events as the

opening of Parliament and the

popular June horse races.

Simoo camp," said one source, referring to the union severed

William Cash, who shared an apartment with Hurley during her stays in Los Angeles. "I am half Irish even though I don't know any of my Irish relatives at all," she was quoted as say-Folks in "ER" are licking

their wounds over their Emmy snub. George Clooney, who plays Dr. Doug Ross, said he was surprised when the NBC hil lost out to "NYPD Blue" for best drama. He was even more surprised when a rival TV doctor, Mandy Patinkin of "Chicago Hope," beat him as

Robert De Niro was charged with assault after allegedly bloodying a cameraman's nose outside a New York club. The actor surrendered to police and was booked and fingerprinted on misdemeanor charges, then released pending a court hearing next mooth. The cameraman, Joseph Ligier, told the Daily News that De Niro punched me in the nose and grabbed my hair" after he refused to relinquish video he had

Supermodels Naomi Campbell, Elle MacPherson and Christy Turlington were hit with a lawsuit for 4 billion lire wrongful use of the trademark 'Fashion Café' in Italy. Campbell's agent in Italy, night in a plane crash nearby. David Brown, called the action "a delinquent, cheap publicity stunt" because it was filed during Milan's fashion week when Campbell has been modeling Italian designers' clothes.

Waylon Jennings returned to the house that his ill-fated friend Buddy Holly built in Clear Lake, Iowa, for the first time in 36 years. On the wall of several hundred fans at a con-ry over Tommy Morrison.

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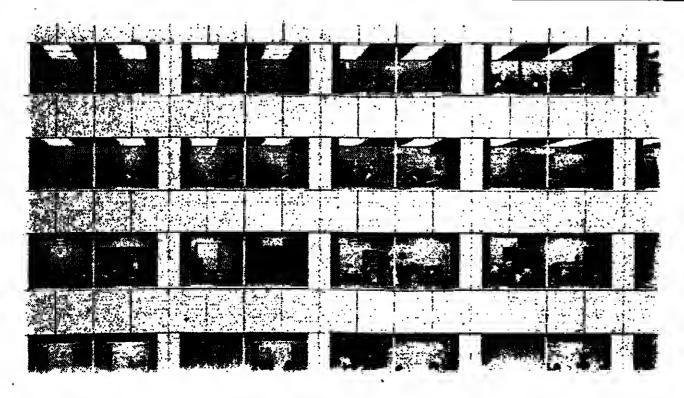


Carly Simon being frisked before meeting the Clintons.

and J.P. (The Big Bopper) an uninformed photographer. Richardson were killed that Jennings was supposed to he on the plane, but he gave his seat to Richardson and rode the bus. 'I've kind of dodged thinking about that all my life," Jennings said. "You are never ready for someone dying and you feel guilty."

the Surf Ball Room is a photo cert in San Antonio, he pleaded from the last time he played with photographers to shoot on-there — Feb. 3, 1959 — with ly his right side. "Please no ly his right side. "Please no. (\$2.5 million) for alleged Holly. Holly, Ritchie Valens that's my bad side," he said to

> Movie tough guy Steven Seagal says he would get in the ring with a heavyweight under the right conditions. "You never know until you try,' he said "If there were a way I became close with someone like Lennox Lewis. I would. 'Seagal joined Lewis and Donald Trump for a victory party in Julio Iglesias thinks he has a Atlantic City after Lewis's bad side. As the crooner greeted sixth-round heavyweight victo-



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